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FBIS-LAT-90-202 *18 October 1990*

CONTENTS

NOTICE TO READERS: An * indicates material not disseminated in electronic form.

INTERNATIONAL AFFAIRS

Reportage on Interparliamentary Union Conference 1
Lacalle Opens Proceedings *[Madrid EFE]* 1
Resolution on Gulf To Be Drafted *[Madrid EFE]* 1
Iraq Defends Position *[Asuncion TV]* 2
Cuba Denounces Colonialism *[Havana Radio]* 2
Argentina Claims Falklands *[Buenos Aires NOTICIAS ARGENTINAS]* 2

INTER-AMERICAN AFFAIRS

Menem Comments on Oil Policy, Bush Proposal *[Buenos Aires Radio]* 3
33 Environment Ministers To Plan Agenda *[CANA]* 3

CARIBBEAN

Cuba

Mexican Delegation Presents Castro With Medal *[Havana TV]* 4
Vilma Espin Emphasizes Need to Fight Corruption *[Havana TV]* 4
Pedro Ross Echoes Castro's Stress on Discipline *[Havana Radio]* 4
Raul Castro Marks FAR Operations Anniversary *[Havana TV]* 4
Soviet Diplomat Cited on Political Stability *[Havana TV]* 5
U.S. Visa, Immigration Restrictions Condemned *[Havana Radio]* 5
Hizballah Leader Said To Praise Gulf Policy *[Havana Radio]* 5
DPRK Trade Minister Tours Research Center *[Havana TV]* 6
UN Delegation Demands End to Apartheid *[Havana Radio]* 6
Namibian President Receives Medical Team *[Havana Radio]* 6
Mozambican Foreign Minister Ends Official Visit *[Havana TV]* 6

Barbados

CBC Strike Ends; Negotiations Continue *[CANA]* 6

British Virgin Islands

Chief Minister Pressured to Announce Elections *[CANA]* 6

Haiti

Former President Manigat Welcomed on Return *[Port-au-Prince Radio]* 7
Reaction to Lafontant Convention Surveyed *[Port-au-Prince Radio]* 7
Government Decreee on Election Finances Reviewed *[Port-au-Prince Radio]* 8

Jamaica

Concern Voiced Over Tardy Soviet Payments *[CANA]* 8

St. Christopher and Nevis

Denzil Douglas To Observe Haitian Elections *[CANA]* 9

Trinidad and Tobago

Trade Union Proposes Price Freeze, Aid to Poor *[CANA]* 9

MEXICO

Senate Receives Communique From Gorbachev *[NOTIMEX]* 10
President Recalls Prominent Antidrug Official *[Hamburg DPA]* 10
Drug Traffickers Damage Police Helicopter *[NOTIMEX]* 10
Six Metric Tons of Cocaine, 2 Planes Seized *[Mexico City TV]* 10
Fisheries Secretariat on U.S. Tuna Embargo *[NOTIMEX]* 11

CENTRAL AMERICA

El Salvador

Armed Forces Begin 'Counterinsurgency Operation' *[San Salvador Radio]* 12
Rebels Attack San Salvador's Outskirts *[San Salvador Radio]* 12
Further on FMLN Soyapango Attack *[San Salvador Radio]* 12
Army's 1st Brigade Attacked *[AFP]* 12
Car Bombs Explode in Ilopango *[San Salvador Radio]* 12
Air Force Installations Attacked *[ACAN]* 13
Attack Reportedly 'Under Control' *[ACAN]* 13
Gunfire Said Ceasing *[San Salvador Radio]* 13
Government 'Message' to Citizens *[San Salvador Radio]* 13
FMLN Begins Foreign 'Diplomatic Offensive' *[San Salvador Radio]* 14
FMLN Criticizes U.S. Aid to Armed Forces *[Radio Venceremos]* 14
Rejects Aid Cut, Cease-Fire Link *[San Salvador TV]* 15
FMLN Still Receiving Arms From Nicaragua *[EL DIARIO DE HOY 16 Oct]* 15

Guatemala

UCN Claims 'Hired Assassins' Murdered Ruano *[SIGLO VEINTIUNO 16 Oct]* 16
URD Secretary General Gonzalez Slain *[SIGLO VEINTIUNO 16 Oct]* 16

Honduras

Callejas on Willingness To Send Troops to Gulf *[EL HERALDO 16 Oct]* 17

Nicaragua

Chamorro Installs National Agrarian Commission *[Managua Radio]* 17
Official Blames FSLN for Attack on Residence *[Managua TV]* 18

Panama

Endara Rules Out Possible Coup, Views USSR *[EL SIGLO 17 Oct]* 18
Columnist Denies Receiving Documents From Herrera *[LA PRENSA 17 Oct]* 19
Rumor of Student's Death Prompts Demonstrations
[EL DIARIO INDEPENDIENTE 17 Oct] 20

SOUTH AMERICA

Argentina

Naval Deployment to Gulf, Financial Plan Updated *[DYN]* 21
Menem Congratulates Gorbachev on Nobel Prize *[NOTICIAS ARGENTINAS]* 21
UK Ambassador Says Relations 'Very Good' *[DYN]* 21
Menem Departs on Trip to USSR, Italy, Poland *[NOTICIAS ARGENTINAS]* 22
Cuello Dismisses Rumors About Resignation *[BUENOS AIRES HERALD 17 Oct]* 22
President Menem Signs Strike Regulation Law *[TELAM]* 22

Menem Criticizes 'Bad' Provincial Governments *[BUENOS AIRES HERALD 17 Oct]* 23
Governor Discusses Problems With President *[BUENOS AIRES HERALD 17 Oct]* 23
Airline Buyers Express 'Concern' About Delay *[BUENOS AIRES HERALD 17 Oct]* 24
Bids on Four Secondary Oilfields Opened *[BUENOS AIRES HERALD 17 Oct]* 24

Bolivia

Minister Views Incorporation Into Rio Group *[Madrid EFE]* 24

Brazil

Embassy in Beirut Shelled, Heavy Damage Reported
[O ESTADO DE SAO PAULO 17 Oct] 25
Candidate for State Governor Assassinated *[Brasilia Radio]* 25
Court on Replacement of Candidate *[Rio de Janeiro TV]* 25
Rezek on Solution to Crisis, Diplomats in Iraq *[Brasilia Radio]* 25
Petrobras Gets Loan for Platform Off Singapore *[Brasilia Radio]* 26
Alternative for Debt Interest Payment Proposed *[FOLHA DE SAO PAULO 15 Oct]* 26
Sao Paulo Plant Closed for Polluting Air *[Rio de Janeiro TV]* 26
* Positions at London ICO Meeting Discussed *[GAZETA MERCANTIL 28 Sep]* 26
* Record Fuel Consumption Recorded in August *[O GLOBO 18 Sep]* 28
* Petrobras Profits Up in August *[O ESTADO DE SAO PAULO 29 Sep]* 28
* Economists Revise Industrial Projections Upward *[O ESTADO DE SAO PAULO 28 Sep]* . 29
* Soviets Express Interest in Purchasing Computers *[O GLOBO 28 Sep]* 30
* More on Banespa Opening in USSR *[O ESTADO DE SAO PAULO 19 Sep]* 30
* Submarine Control System, Mine Developed *[O ESTADO DE SAO PAULO 15 Sep]* 30
* Kandir Projects Lower October Inflation *[O ESTADO DE SAO PAULO 16 Sep]* 31
* Adjustments to Collor Plan Seen Necessary *[O ESTADO DE SAO PAULO 16 Sep]* 32

Chile

Pinochet Departs Santiago for Inspection Tour *[Santiago Radio]* 33
Aylwin Greets Arriving Spanish King, Queen *[Santiago TV]* 33
U.S. 'Favorable' Decision on Fruit Noted *[Santiago Radio]* 33
Minister Talks About Impact of Oil Prices *[Santiago Radio]* 33
Spain Reportedly To Launch Satellite Program *[Madrid EFE]* 34
Diplomatic Relations With Namibia Established *[Madrid EFE]* 34

Ecuador

Justice Administration Paralyzed for 12th Day *[AFP]* 35

Peru

Fujimori on Oligopolies Joining New Economy *[Lima TV]* 35
Minister Blames Monopolies for Price Increases *[Lima TV]* 36

Venezuela

Deputy Comments on Illegal Cemetery Near Border *[Madrid EFE]* 36
* Social Christian Party Faces Internal Split *[EL DIARIO DE CARACAS 4 Sep]* 37
* Opposition to Economic Measures Defined *[EL NACIONAL 14 Sep]* 38

Reportage on Interparliamentary Union Conference

Lacalle Opens Proceedings

PY1610152890 Madrid EFE in Spanish 2101 GMT 15 Oct 90

[Text] Punta del Este, 15 Oct (EFE)—Uruguayan President Luis Alberto Lacalle today opened the 84th Interparliamentary Union conference in Punta del Este. In an improvised speech, he emphasized the Spanish heritage in the legal structure of American countries.

In his speech, the president recalled that "councils were the first institutions in our fatherland. From the wise legal system of the Indians we inherited the town councils, which were the institutions that most faithfully reflected our national character during the time of the Spanish empire."

He added: "Those councils gave us our first experience of power. Those councils, those meetings of neighbors, represented the newly born political power, first in the Spanish legal system and then in an independent country."

Addressing almost 1,000 lawmakers from almost 100 countries, Lacalle said that "the town council held on 21 September 1808 was the first congressional effort" and that, following this council, the country began to realize the importance of a constitution.

He added that the assembly of 25 August 1825 continued the tradition and declared our independence. In 1830, the constituent assembly drew up the first constitution, by which "we became a nation that began with the councils and then organized the executive branch."

Lacalle also recalled the Spanish heritage when he mentioned the first civil and military leader of Uruguay, General Jose Gervasio Artigas, who could have concentrated all power in his hands but who told the people's assembly that "my authority emanates from you, and it ends in your sovereign presence."

The president reiterated that Artigas "had Aragonese blood in his veins, and it is in Aragon where we—the descendants of the Spanish—claim to have heard about rights, the rights of the people and the equality of citizens."

Resolution on Gulf To Be Drafted

PY1710203690 Madrid EFE in Spanish 0255 GMT 17 Oct 90

[Report by Roberto Pepe Leira]

[Text] Punta del Este (Uruguay), 16 Oct (EFE)—On 17 October, after hearing the various positions of delegates, the 12-member Political, Security and Disarmament Committee will begin defining the text of a resolution on the Persian Gulf crisis to the 84th Conference of the Interparliamentary Union [IPU].

Delegates from France, the United Arab Emirates, the USSR, Great Britain, Senegal, Spain, Uruguay, India, Jordan, Iran, Cyprus, and Morocco were elected to write the resolution, based on the positions of the countries involved in the crisis.

Iraq announced its willingness to negotiate for peace in the Gulf because it wants to prevent the total destruction of countries in that area.

However, the Iraqi delegate, Ghanim 'Aziz Jaduri, gave no details of how peace negotiations would be carried out, although he recognized the serious situation affecting that area.

The Iraqi delegate harshly criticized the UN Security Council for its "hasty" decision in ordering a blockade without listening to Iraq.

Jaduri questioned the presence of foreign troops because it is turning the Gulf into a time bomb that could explode at any time.

He also said that the embargo will benefit the oil-producing countries and multinationals to the detriment of the Third World.

He added that the blockade is a resolution against human rights because it hurts 18 million people living in Iraq.

He proposed a resolution, which he submitted to the committee in charge of writing the resolution. The proposal clearly defines three points: A petition to the United Nations to reconsider all resolutions on the Near East, including the Israeli occupation of Palestine and other Arab territories. [sentence as received]

Iraq also wants the IPU to declare its supports for efforts to find a road to peace in the Arab world; the immediate withdrawal of all foreign troops from the Gulf be demanded; and the lifting of economic blockade.

Cuban delegate Zoila Benitez de Mendoza said Cuba did not hesitate to condemn the invasion of Kuwait, but she warned that the UN resolution ordering the blockade and embargo will only lead to war.

Cuba said there will be no just solution to the Persian Gulf crisis until Iraqi troops are withdrawn from Kuwait, and U.S. and NATO troops are withdrawn from the Persian Gulf.

The committee in charge of writing the resolution must consider the various positions, but it received the recommendation to basically work on the proposals submitted by Iraq, France, and the United Arab Emirates.

The French delegation, which was able to get the Persian Gulf crisis included in the agenda of the IPU's 84th conference, requested complete observance of UN resolutions.

A similar proposal by the United Arab Emirates supports a pacification effort in the Arab world and a condemnation of invasions.

The committee has until 19 October to study the proposals and will try to write a resolution that will get a majority vote in the closing session on 20 October.

Iraq Defends Position

PY1810021490 Asuncion Cerro Cora Sistema Nacional de Television in Spanish 2230 GMT 17 Oct 90

[Report by special correspondents Guillermo Yaluk and Roberto Acosta on comments by an unnamed Iraqi delegate to the 84th Interparliamentary Union Conference in Punta del Este; date not given—recorded]

[Text] Parliamentarians from several parts of the world have gathered in Punta del Este, Uruguay. The Persian Gulf crisis has undoubtedly been a central issue in their discussions.

[Begin Iraqi delegate recording, in Arabic with passage-by-passage Spanish translation] Iraq has always advocated a peaceful solution for the region. Arabs can solve their problems by themselves. They do not need foreign intervention. The entire Iraqi people are ready to defend their territory. Consequently, it will not be easy to annihilate Iraq in four days. Iraq (?confronted) Israel because it occupied part of the Arab territory and violated the UN Charter. This is why 18 million Iraqis will engage in the struggle, not just Saddam Husayn. [end recording]

Cuba Denounces Colonialism

FL1710120690 Havana Tele Rebelde Network in Spanish 1100 GMT 17 Oct 90

[Text] At the 84th conference of the World Interparliamentary Union in Punta del Este, Uruguay, Cuba denounced the persistence of colonialism and called for its elimination to facilitate economic cooperation and development.

Ramon Pez Ferro, director of international relations of the National Assembly of the People's Government, told legislators from about 100 countries that manifestations of colonialism continue to exist even though it has been 30 years since the approval of a UN resolution on eliminating colonialism.

Pez Ferro stressed that the very existence of colonialism inhibits the economic, social, and cultural development of the dependent peoples, as well as the establishment of effective cooperation between developed and underdeveloped countries.

Argentina Claims Falklands

PY1710194990 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1700 GMT 17 Oct 90

[Text] Punta del Este, 17 Oct (NA-AFP)—At the 84th conference of the Interparliamentary Union [IPU] in Punta del Este, Argentina ratified its claim of sovereignty over the Malvinas Islands during a speech made by the Argentine delegation chief, Senator Eduardo Menem.

The senator, who is the brother of President Carlos Saul Menem, said during the conference that the archipelago, over which a bloody battle was fought in 1982 between Argentina and Great Britain, is living under an outdated colonialism that must be overcome by allowing Argentina exercise its full rights.

Menem also said that the resumption of diplomatic ties between Buenos Aires and London must open the way to begin negotiations over the sovereignty issue soon, without harming the interests of the islanders.

Senator Menem is in Punta del Este participating in the IPU, conference which will conclude on 20 October.

Menem Comments on Oil Policy, Bush Proposal

PY1210214890 Buenos Aires Domestic Service in Spanish 1600 GMT 12 Oct 90

[By Silvina Martinez Porta from Caracas]

[Excerpt] We will now continue with the last part of the news conference that President Menem granted to journalists who accompanied him to this summit. Some of President Menem's comments here in Caracas have had repercussions in Argentina. The president said that Argentina will entirely [word indistinct] the price of oil in January 1991. According to the Venezuelan press agency VENPRESS, however, Argentina is preparing to join OPEC.

President Menem's explanation about the talks held this morning follows:

[Begin Menem recording] You all know very well that we are reaching the end of a process deregulating oil-production activities. We are visiting secondary areas and central areas, and it is possible that Argentina, which is now a country that possesses oil, will become an oil-producing country. This is a possibility, but it does not necessarily mean that Argentina will join the group of oil-producing countries. We will simply see how the exploitation of hydrocarbons in the Argentine Republic will change our situation. [end recording]

Regarding Bush's Americas Initiative, President Carlos Menem said that there is a consensus on this proposal at this summit. He also said that less than 10 days ago in New York, Italian Foreign Minister Gianni de Michelis expressed an interest in meeting with the Rio Group member countries to discuss the possibility of presenting an EC proposal for Latin America similar to that of President Bush. We have been told that the meeting with De Michelis could be held in Geneva in November.

As for political topics discussed during the news conference, President Menem regretted Radical Civic Union's difficulty in updating its concepts and behavior. He added, however, that he did not want to discuss the subject too extensively because it refers to another party's internal problems. He said that there are always stupid people—this is the term he used—criticizing him for always being out of the country; these people are living in a completely different world, he added.

Finally, Menem commented on Pinochet's visit to Argentina. Menem asserted that Argentina is a free country where everyone enjoys broad freedoms. He noted that the former Chilean president has had no problem with Argentina and that there is no reason to repudiate the man who is currently commander in chief of the Chilean Army. [passage omitted]

33 Environment Ministers To Plan Agenda

FL1210151590 Bridgetown CANA in English 1344 GMT 12 Oct 90

[Text] Port of Spain, Trinidad, Oct 12, CANA—Environment ministers from 33 countries in the Caribbean and Latin America will meet at the Trinidad Hilton next week. The Environment Ministry here said the October 22-23 meeting will look at an environmental action plan for the region.

The ministers will prepare for the two-week United Nations conference on environment and development scheduled for Brazil in 1992. The meeting here will be officially opened by Trinidad and Tobago Prime Minister A. N. R. Robinson.

This week National Security Minister Selwyn Richardson said that while there was greater understanding of hazards, countries were still becoming more vulnerable because of the way the environment was treated.

"Firstly, the population continues to grow and concentrate into cities and other areas of high risk such as flood plains, coasts, and landslide slopes," he explained. "Secondly, we have actually contributed to the severity of many hazards by altering the natural environment... The third factor in increasing vulnerability is the enormous stock of hazardous dwellings and public buildings which are in use today." In addition, "the greenhouse effect will almost certainly bring changes in hurricane activity," said Richardson.

Cuba

Mexican Delegation Presents Castro With Medal

FL1810115890 Havana Tele Rebelde Network in Spanish 1100 GMT 18 Oct 90

[Text] Commander in Chief Fidel Castro on Tuesday night received a delegation from the congress of the Mexican State of Morelos, which bestowed upon him the General Emiliano Zapata Legion of Honor Medal, an award that was instituted by the body that they represent.

The Mexican representatives told Fidel that the medal is conferred upon prominent Mexican or foreign public personalities that the Morelos State Congress feels are worthy of such a high distinction. They added that this is the second such medal to be awarded.

The commander in chief said he considers this an extraordinary honor and that he was profoundly moved by it, because he has always been a great admirer of Emiliano Zapata, the apostle of agrarian reform, who embodied the purest ideals of social redemption of the Mexican revolution.

In his talk with the Mexican deputies, Fidel asked about characteristics of Morelos State and remarked on his memories of his visit to that state during his stay in Mexico prior to the Granma expedition.

Vilma Espin Emphasizes Need to Fight Corruption

FL1810123890 Havana Tele Rebelde in Spanish 1100 GMT 18 Oct 90

[Text] A call to all people to continue cooperating in the fight against robbery and corruption was made in Matanzas by Vilma Espin, member of the Politburo of the Communist Party of Cuba [PCC] and president of the Cuban Women's Federation, who is also president of the National Social Prevention and Attention Commission.

The PCC leader presided at a meeting of the provincial social prevention commission in Yumuri, at which a performance report was tendered to the organization's secretariat.

During the meeting, emphasis was placed on the need to fight resolutely against what are known as economic crimes, and on the role that the People's Councils can play in detecting such crimes.

Vilma Espin said that wherever someone is seen to have a standard of living or expenditures surpassing their normal income, that person must be reported, no matter who is involved because, she said, such individual do more harm than a CIA agent.

Vilma Espin also emphasized that our country is called upon to be a standard-bearer of morality, ethical principles, and honesty. She said it is therefore, necessary to eradicate and punish all robbery, from the greatest to the smallest.

In this framework, it was learned that the National Social Prevention and Attention Commission is preparing a campaign against alcoholism, because it is the most harmful and degrading vice that mankind can have.

Pedro Ross Echoes Castro's Stress on Discipline

FL1710132290 Havana Radio Reloj Network in Spanish 1207 GMT 17 Oct 90

[Text] Compliance with Commander in Chief Fidel Castro's call to the fourth national plenum of the CTC [Cuban Workers Federation] to combat manifestations of corruption was one of the topics discussed during the meeting of the CTC Secretariat in the capital.

On the subject, CTC Secretary General Pedro Ross reiterated the importance of responding with greater severity to social indiscipline and violations of rules as a way to help our revolution and to contribute to the construction of socialism.

Ross agreed to award the seal of international emulation to 66 DPRK workers for their outstanding technical cooperation in the nickel mechanical complex at Moa, Holguin.

At the meeting of the secretariat, the National Association of Cuban Economists and the CTC signed a cooperation agreement to raise the workers' level of economic education.

Raul Castro Marks FAR Operations Anniversary

FL1710115290 Havana Tele Rebelde Network in Spanish 1100 GMT 17 Oct 90

[Text] A congratulatory message from Army General Raul Castro, minister of the FAR [Revolutionary Armed Forces], was read at the ceremony marking the 30th anniversary of the Operations Directorate of the FAR Ministry at the headquarters of that armed institution. During the event, a group of chiefs and officers were decorated with the Ignacio Agramonte production and defense medals, as agreed upon by the Council of State.

The ceremony was presided over by Division General Ulises Rosales del Toro, first vice minister of the FAR. On behalf of the Soviet specialists and military advisers in Cuba, Major General (Viktor Komorokov) made a dedication reaffirming the ties of cooperation between the two armed forces.

Brigade General Urbelino Betancourt Cruces [name as heard], deputy chief of the General Staff, told the award winners that it is clear in our minds that the present is one of fighting and the future is that of Baragua.

Soviet Diplomat Cited on Political Stability

FL1810002390 Havana Radio Rebelde Network in Spanish 0000 GMT 18 Oct 90

[Text] The Cuban Government is firmly in power and has many supporters. This was said today by (Vladimir Sainskiy), first secretary of the Soviet Embassy in the United States, when he spoke in Kansas City before the general assembly of the Inter-American Press Society. The diplomat gave his assurance that the hopes of those who believe that the power structure in Cuba is going to collapse are unfounded.

(Sainskiy), said verbatim: It would be interesting for the United States, the Soviet Union, and Cuba to begin a dialogue process to talk about security and weapons issues. The diplomat insisted: We are very concerned about the confrontational nature of Cuban-American relations. A constructive dialogue should be established.

(Sainskiy) also explained that the Soviet Union has a great interest in strengthening hemispheric [word indistinct] through the OAS. He noted that the USSR may soon become a permanent observer of the hemispheric organization. The Soviet diplomat said: There is no reason to be afraid of the Soviet Union playing a role in Latin America.

U.S. Visa, Immigration Restrictions Condemned

FL1710140590 Havana Radio Rebelde Network in Spanish 1255 GMT 17 Oct 90

["Our Opinion" commentary]

[Text] This morning an Agence France-Presse, AFP, dispatch datelined in Washington reports possible new restrictions on the granting of visas to Cuban citizens. I am going to read you the dispatch's heading verbatim instead of summarizing it. It reads as follows: Washington, AFP. The United States is considering restricting tourist visas to Cubans for fear that the liberalization of travel recently agreed to by Havana will turn into a legal Mariel, a U.S. official who asked to remain anonymous said on 16 October. That is the lead-in of the AFP cable dated today in Washington.

There has been no official confirmation from the U.S. authorities that this is true, but despite the fact that the official was anonymous, everything indicates that this information is reliable. I say this based on previous events, not assumptions. In the first place, there is the evidence that the United States is granting virtually no visas to Cuban citizens who wish to emigrate to the United States, even those who have served sentences for acting as agents of U.S. intelligence services, according to the words of the accused themselves.

Washington does not allow them to travel freely in accordance with the U.S.-Cuban law and certain concepts of international law. But if that same person—who has been denied a visa—arrives in Florida illegally, he is immediately welcomed as a political victim. This Yankee practice is immoral and violates human rights.

It is good to remember that in 1984, Cuba and the United States reached an agreement on immigration under which Washington pledged to grant 20,000 visas per year. Before the agreement was signed, the United States carried out a tear-jerking campaign in favor of family reunification. But when the legal channels were smoothed out, Washington backed off. The United States has denied visas to artists, scientists, athletes, and revolutionary Cuban figures. According to the AFP cable, those who will be subject to restrictions or simply have their visas denied are not tourists, but Cuban citizens who have relatives in the United States and want to visit them.

There is another sector that in fact wants to emigrate to the United States, the richest country and also the most exploitive in the world. In accordance with our laws on immigration, thousands have their passports and authorization to depart but the United States will not give them visas. Nor are they very generous in granting immigrant visas in West Europe.

So, who is hindering this immigration? Who violates human rights? Who is making perfidious political use of this matter, in violation of prior agreements? The revolution—and it is good to remember this—is an undertaking by free men for free men, but if the imperialists do not want to accept those who do not wish or do not have the courage to join in this undertaking by free men, this is the responsibility of those who make politics into a business and an extortion, and principles and moral codes into worthless, dirty paper. The same would apply if Washington restricts visas for family reasons.

Hizballah Leader Said To Praise Gulf Policy

FL1810004590 Havana Radio Rebelde Network in Spanish 0000 GMT 18 Oct 90

[Text] It is necessary for Cuba to maintain its ability to influence the Third World inasmuch as it is the only hope and model for oppressed countries. This was said in Beirut by Ulema (Muhamed Hussein Fadallah), Muslim prelate and spiritual leader of the Hizballah or the Party of God. The religious leader met with Cuban Charge d'Affaires (Melchor Donet) in the Lebanese capital.

(Hessein Fadallah) expressed concern over U.S. pressures and the effects of the events in the East European countries have on Cuba. (Fadallah) received the Cuban diplomat in his residence located in the southern Beirut suburbs. He said Cuba's stand on the Gulf crisis is balanced and courageous.

Regarding the situation in Lebanon, the Muslim spiritual leader believes that General Michel 'Awn's surrender will bring a relative calm. However, he did not rule out that new difficulties may appear.

DPRK Trade Minister Tours Research Center

FL1810015590 Havana Television Service in Spanish 0100 GMT 18 Oct 90

[Text] Kim Tal-hyon, first vice premier and foreign trade minister of the DPRK, visited today the National Center for Scientific Research and Immunoassay Research Center in this capital.

During the tour, Kim Tal-hyon and the members of the high-level delegation, learned about the details of the center. Its main areas of work are biomedicine, biotechnology, and development of medical equipment. The Korean leader showed interest in the equipment used to diagnose early hearing loss and the (Dirami)-03 used in the diagnosis of urine cultures in only four hours.

The DPRK vice premier learned about our country's advances in the building of equipment and parts for scientific research. He was also interested in the SUMA [Ultra Micro Analytic System] 122 which is very well-known in Cuba for detecting AIDS.

Yesterday, the Asian country's delegation held official talks and tomorrow it will visit Guantanamo Province.

UN Delegation Demands End to Apartheid

FL1710124690 Havana Radio Reloj Network in Spanish 1206 GMT 17 Oct 90

[Text] Cuba has stated at the UN Commission for the Independence of Colonial Peoples that sanctions against South Africa must continue, because the system of apartheid is not subject to modification or negotiation, but should be abolished.

South Africa has just abolished a law that segregated races in public places, businesses, and other establishments. The African National Congress feels that this is a cosmetic arrangement rather than an effort to end apartheid.

Namibian President Receives Medical Team

FL1710202290 Havana Radio Reloj Network in Spanish 1941 GMT 17 Oct 90

[Text] Namibian President Sam Nujoma received today a group of doctors, nurses, and other health workers who are working that southern African country. The meeting took place at the state house in Windhoek, the capital. Several Namibian ministers and Cuban diplomats were in attendance. They reiterated the brotherly ties between the two peoples.

Nujoma recalled the ties that have always existed between the South-West African People's Organization and the Communist Party of Cuba. He stressed that men from the two countries fought together and defeated the South Africans in Cuito Cuanavale and that many fell to make the dream of an independent Namibia a reality. He stated that, as in the armed struggle, Cuba asssists his country in this second stage—in the fight against diseases, poverty, and illiteracy.

Mozambican Foreign Minister Ends Official Visit

FL1810020590 Havana Television Service in Spanish 0100 GMT 18 Oct 90

[Text] Pascoal Mocumbi, foreign minister of the People's Republic of Mozambique, has returned to his country accompanied by his delegation. Mocumbi, who is also member of the Politburo of the Mozambique Liberation Front, paid an official visit to Cuba at the invitation of his Cuban counterpart Isidoro Malmierca with whom he held a working meeting at the Foreign Ministry's headquarters. Mocumbi also met with Jorge Risquet, member of the Politburo of the Communist Party of Cuba.

Barbados

CBC Strike Ends; Negotiations Continue

FL1710184690 Bridgetown CANA in English 1751 GMT 17 Oct 90

[Excerpt] Bridgetown, Barbados, Oct 17, CANA—Employees of the Caribbean Broadcasting Corporation (CBC) returned to the job on Wednesday after calling off a two-day work stoppage to protest drawn-out contract negotiations.

The decision to end the strike was taken pending the outcome of a meeting between the Barbados Workers Union (BWU), bargaining agent for the CBC staff, and management of the Barbados Government-owned radio and television company.

"CBC has been developing a history of having every negotiation take longer than the preceding one and on this occasion, we are down to 16 months and we are still not yet finished," Deputy BWU General Secretary Leroy Trotman said after an initial meeting with management.

Besides the delay in concluding pay increases, the work stoppage was also to protest what workers said was CBC's backtracking on an agreement two years to establish a medical plan for its workers. A pension plan was another major concern. [passage omitted including indistinct portions]

British Virgin Islands

Chief Minister Pressured to Announce Elections

FL1710211890 Bridgetown CANA in English 1945 GMT 17 Oct 90

[Text] Road Town, Tortola, Oct 17, CANA—British Virgin Islands Chief Minister H. Lavity Stoutt, facing mounting pressure to announce a date for general elections, says certain statutory provisions must be met before the announcement can be made. Above all, Stoutt said in a prepared statement, a certified voters list had to be completed. He noted the public's concern about the delay and accused some individuals of attempting to make "political hay" out of the issue.

The BVI legislature was dissolved on October 2 and it was expected that the election date would have been announced shortly afterwards following publication of the voters list. The preliminary voters list, however, is still being reviewed. It showed a total of 7,550 registered voters, which is subject to change based on the outcome of a series of claims and objections.

Thirty six candidates have announced they will be contesting the elections.

Haiti

Former President Manigat Welcomed on Return

FL1710143690 Port-au-Prince Radio Soleil Network in Creole 1100 GMT 16 Oct 90

[Excerpts] Former Haitian President Leslie F. Manigat flew into Port-au-Prince last night aboard American Airlines' Flight 657. The former president was welcomed at the diplomatic lounge by an Assembly of National Progressive Democrats [RDNP] welcoming committee.

About 2,000 to 3,000 people, partisans and friends of Leslie Manigat were present. Despite the rain, they gathered inside and in front of the airport to welcome the former president who received bouquets of flowers and applause from his partisans. The former president did not issue a statement on arrival because the Haitian Government would not allow him to do so. Journalists did not have access to the diplomatic lounge which was guarded by soldiers who provided security. According to a member of the RDNP welcoming committee, the soldiers had orders from the provisional government to prevent journalists from entering.

The former president was then taken to Oloffson Hotel where his friends and his partisans celebrated with him. Some journalists took advantage of this occasion to ask him some questions.

[Begin recording] [Unidentified reporter] You are finally back in the country. What are your first impressions?

[Manigat] My first impressions.... Well, first I arrived at the airport where I received a warm welcome from many people. It was a real crush, as one says. Then, I travelled quickly, in the rain, through Port-au-Prince. Obviously, I did not have the opportunity to see much. It goes without saying, however, that I already saw the extent of the problems that the capital faces. I was told. But this is only the impression that I received. I have not yet had a confirmation. I must wait to see it in broad daylight. But I have the impression that the situation has seriously deteriorated since my departure over two years ago. Anyway, it reflects the extent of the burden of our responsibility to all Haitians, whatever camp we side with, to jointly find men of good will who foster civic courage, unselfishness, and a sense of sacrifice to jointly get the country out of the [word indistinct]. [passage omitted] Either now or in the future, it is our principles that will allow this country to go forward. [end recording] [passage omitted]

Reaction to Lafontant Convention Surveyed

FL1710160090 Port-au-Prince Radio Metropole in French 1600 GMT 16 Oct 90

[Text] Reaction was more than moderate from Hubert de Ronceray's Mobilization for National Development after the convention held by Lafontant's party. De Ronceray pointed out that the 1987 Constitution allows not only ideological pluralism and political choice, but also provides the right for public meeting.

[Begin De Ronceray recording] I think that some Duvalierists may have problems with the Justice Department. It is correct for the legal authorities to fulfill their responsibilities, but we cannot generalize, given that all Duvalierists are not necessarily torturers. The Haitian Constitution clearly guarantees freedom of meeting, association, expression. We therefore cannot say that such a group has no right to express itself, nor that such a group has no right to hold meetings. However, in order to protect the electoral process, groups must satisfy the legal requirements outlined in the Constitution and the electoral law, which are explicit enough. [end recording]

Dejean Belizaire, from the National Patriotic Movement and the National Alliance for Democracy and Progress, acknowledges the failure of the democratic sector. The Duvalierist convention held this past weekend is the direct consequence of such a failure, according to Belizaire. He is very skeptical regarding our judicial system and its efficiency.

[Begin Belizaire recording] The men who organized this convention are tied to history. They did many things together over the past thirty years. Never in history have we seen a group of men holding power who gave up so easily, with no resistance. What I do not understand is how Dr. Roger Lafontant, the subject of an outstanding arrest warrant, could with no apprehension or difficulty, participate in this convention. Such development gives evidence to the inefficiency of the Justice Department. It makes me wonder about the declarations of so many democrats in this country who have the responsibility to respond to popular demands, they were the first to protest, but once in charge, they do nothing. [end recording]

Theodore, presidential candidate of the Movement for National Reconciliation, who terms such an event [the Duvalierist convention] as frightening, was very firm in his reaction. If these men could act, outside the law, then we have descended into anarchy. Theodore added that the Justice Department and the Army owe the people an explanation after such a meeting.

[Begin Theodore recording] This event shows that the public, who the military institution represents, either disagrees with the executive, or is divided in its purposes. In any case, there is obvious contradiction

between the military and the Justice Department. The Army is supposed to serve justice and to obey the Justice Department. It is then a frightening thing, because if some persons living in the country can go above the law, to the extent that the public condones it, and despite the fact that they [Duvalierists] are subjects of an outstanding arrest warrant, then we are in complete disorder. There is complicity at a level we are not aware of. If such a complicity is at the level of the subaltern, then the military hierarchy has no authority over the Army corps, which is extremely serious for them and for society. Both the government representative who reiterates the request, and the military institution, owe the country an explanation about its share of responsibility in the state's failure concerning the Lafontant's case.

Rather than helping the Duvalierist sector, we think that this convention will work against it because we are now looking at the people who, during their 29 years in power, were stealing money from the nation and flaunting their Audi's, their BMW's, their Mercedes' bought with public funds. They killed goats, cows, pigs, to spend two days at the Vertaillis Club, while claiming that children must go to school. It is obviously a mockery, a lack of respect, and one more lie. Everyone will remember how they used to torture and abuse, everywhere in the country. [end recording]

In a press release, the party of Dr. Lafontant complimented the Army for its professionalism and strength in carrying out their duty to protect all citizens during the closing of the convention. The Union for National Reconciliation has also announced its intention to hold another convention soon in the center of Port-au-Prince, near the Champs de Mars [public park near the national palace]. If such a plan in implemented, says Theodore, it would be equivalent to a coup d'etat against society and the country because only a person, who had already been in power, could qualify to organize a convention around the national palace.

Government Decreee on Election Finances Reviewed

FL1710201090 Port-au-Prince Radio Soleil Network in Creole 1100 GMT 16 Oct 90

[Text] According to a note from the director of information in the Ministry of Information and Coordination, a 10 October decree issued by the provisional government has provided for a simple and quick procedure—an exceptional measure—that will enable the Provisional Electoral Council [CEP] to meet its future financial obligations.

From the time this decree was published, all expenses of the CEP, as well as written proofs to support them, are to be submitted, with no other prerequisite, to the Ministry of Finance and Economy at the time these expenses are contracted. After meeting these immediate demands, the Ministry of Finance and Economy will make the necessary arrangements for the CEP to receive the necessary funds.

The Ministry of Finance and Economy is in charge of keeping all records of CEP expenses. This ministry will submit these documents to the Superior Court of Accounts and Administrative Litigations [the Haitian Audit Office] at the end of the CEP contract so that a complete audit can be done within 60 days.

Jamaica

Concern Voiced Over Tardy Soviet Payments

FL1710182090 Bridgetown CANA in English 1723 GMT 17 Oct 90

[Text] Kingston, Jamaica, Oct 17, CANA—Jamaica has expressed concern over the Soviet Union's tardiness in making payments under an eight-year-old bauxite agreement between the two countries.

Jamaican Foreign Ministry sources said the issue would be raised during current talks with a visiting Soviet delegation, here to review economic cooperation with Jamaica. Under the agreement, Jamaica exports bauxite to the Soviet Union and imports Soviet-made motor vehicles. Foreign Ministry sources said the Soviets wanted the agreement widened to include more than the importation of "Lada cars and Niva jeeps."

Head of the Soviet delegation, V.N. Burministrov, disclosed that Moscow was working with Jamaica to reopen the Lyford Bauxite Mine which has been closed since 1984. The mine, located in the north coast parish of St. Ano, was operated by Reynolds Jamaica for over 30 years until a slump in the world bauxite and alumina market forced its closure. The Soviet delegation toured the mine site on Monday and according to Burminstrov, the reopening was "highly likely."

Burministrov, the Soviet deputy minister of foreign economic relations, said Moscow wanted to widen the scope of trade between both countries. He pointed out that although trade between Jamaica and the Soviet Union was stable, the turnover of goods was not very high and the range of goods extremely limited. This situation could not satisfy either country, he said.

The Soviet Union hopes to increase the sale of motorcars to Jamaica as well as trucks and agricultural equipment. The Soviets were also prepared to negotiate the assembly of trucks here involving Jamaican-made spare parts and components, Burministrov said. He also mentioned possible cooperation in the reconstruction of the financially-strapped Jamaica Railway Corporation. An offer has already been made by the Soviets.

St. Christopher and Nevis

Denzil Douglas To Observe Haitian Elections

FL1710174590 Bridgetown CANA in English 1617 GMT 17 Oct 90

[Text] Basseterre, St. Kitts, Oct 17, CANA—Dr. Denzil Douglas, opposition leader in the St. Kitts and Nevis Parliament, left here on Tuesday for a visit to Haiti.

Douglas is a member of an international delegation, led by Belize Prime Minister George Price, which is visiting the French-speaking Caribbean state to assess steps towards democratic elections in December. The visit is sponsored by the U.S.-based National Democratic Institute for International Affairs, an organization set up by the Democratic Party which controls both houses of the U.S. Congress.

The six-member delegation will be in Haiti until Friday. Meetings are scheduled with politicians, business and civic leaders, interim Haitian President Ertha Pascal Trouillot, representatives of the United Nations, and Organisation of American States (OAS).

Before his departure, Douglas said: "This visit comes at a critical junction in Haiti's development, and it behoves us as members of this distinguished delegation to help in broadening and deepening the democratic process in order that Haiti can take its rightful place in the family of democratic nations."

Trinidad and Tobago

Trade Union Proposes Price Freeze, Aid to Poor

FL1710200090 Bridgetown CANA in English 1905 GMT 17 Oct 90

[Text] Port of Spain, Trinidad, Oct 17, CANA—The Public Services Association (PSA), one of the largest trade unions here, has called for a freeze on the price of flour, milk, rice, sugar and other basic foodstuffs.

The proposal was one of several submitted to the government by the union for possible inclusion in the forthcoming 1991 budget, currently being prepared. The PSA said it wanted immediate implementation of the measure "given the known incidence of hunger and malnutrition in the country." The union called for food stamps to be given to the worst-off families.

The union also called for an immediate end to the government's dealings with the World Bank and International Monetary Fund (IMF). It urged instead that attention be paid to stemming capital flight from the country. Success here, the union said, was critical to the realisation of the government's long term development goals.

Noting that workers' earnings had plunged by 60 per cent during the downturn in the economy, the PSA said working people had suffered more from subsequent adjustment measures than was necessary.

"To put it bluntly, the 1991 budget should be one which puts the brakes on expenditure cuts and subsidy removals as well as an attempt to increase the level on taxation," the PSA said. "At the very worst, it should be a budget that holds the line and there is, in our view, a good case for this being the first expansionary budget we have had [words indistinct.]"

The association accused the past government and the incumbent formed by the National Alliance for Reconstruction (NAR) of presenting "contractionary" budgets year after year. The 1991 budget is expected to be delivered by the middle of December.

Senate Receives Communique From Gorbachev

PA1710011490 Mexico City NOTIMEX in Spanish 0107 GMT 16 Oct 90

[Text] Mexico City, 15 Oct (NOTIMEX)—Soviet President Mikhail Sergeyevich Gorbachev, Nobel Peace Prize laureate, has sent a communique to the Mexican Senate in which he ratified his position to end nuclear testing and asked the Mexican Senate's cooperation in maintaining peace.

Oleg Tikhonovich Darusenkov, USSR ambassador to Mexico, delivered the communique to Senate leader Emilio M. Gonzalez. The communique stresses that one state alone cannot guarantee the survival of humankind.

It also states that the legislators' participation will make possible the transformations for a better world, and will strengthen systems against the proliferation of and for the eliminiation of nuclear weapons.

It adds: "No country, no government, no people can ignore the need for denuclearization, because it must be resolved with the effort of the entire international community."

The communique says that the general public and the legislators should speak out in favor of a law banning nuclear testing that will reflect the morals of a wide spectrum of political forces and the aspiration of humankind for a safe and peaceful life.

Senate leader Emilio M. Gonzalez said that the purpose of the Soviet diplomat's visit was to request the support of Mexico for Gorbachev's proposal on disarmament and against nuclear testing, which Mexico supports in the Tlatelolco Treaty.

When interviewed after their meeting, Soviet Ambassador Darusenkov and Senate leader Gonzalez agreed that the awarding of the Nobel Peace Prize to Gorbachev is a well-deserved recognition of his policies, which not only benefit the USSR but also the entire world." [no opening quotation marks as published]

President Recalls Prominent Antidrug Official

PA1710002090 Hamburg DPA in Spanish 0054 GMT 16 Oct 90

[Text] Mexico City, 15 Oct (DPA)—President Carlos Salinas de Gortari today unexpectedly replaced Javier Coello Trejo as assistant attorney general in charge of investigating and curbing drug trafficking. He was known as the "iron-fisted attorney general."

Although there was no official report on the reason for appointing Coello Trejo as head of the Federal Consumer Procurement Office, the decision might be linked to frequent complaints of police brutality in the struggle against drug trafficking.

The official NOTIMEX news agency reported the government decision this afternoon, on the eve of a report that is to be issued by the National Human Rights Commission (CNDH), allegedly condemning police methods.

Coello Trejo, a 42-year-old lawyer who is known to be "tough" in the fulfillment of his police duties, had been criticized in the past few months for alleged human rights violations committed by his agents.

"Coello Trejo's Untouchables," as the press called the members of the police antidrug group, have been singled out by human rights organizations, including Amnesty International, as being responsible for several murders and dozens of cases of torture.

Four of his bodyguards are currently under arrest on rape charges.

Coello Trejo was nicknamed "the iron-fisted attorney general" at the end of the last decade, when, as special agent in charge of curbing government corruption, he jailed more than 700 employees and former employees, among them two ministers.

Drug Traffickers Damage Police Helicopter

PA1410182490 Mexico City NOTIMEX in Spanish 1717 GMT 14 Oct 90

[Text] Culiacan, Sinaloa, 14 Oct (NOTIMEX)—A helicopter of the State Judicial Police (PJE) was shot down during a clash with alleged drug traffickers, Chief Lorenzo Gorostiza Castro reported.

He said that the pilot was not injured, but it is not known whether there are any dead or wounded.

Gorostiza explained that military and police troops located mixed poppy and marijuana fields in Tacuichamona, and they requested a PJE helicopter to destroy them. The helicopter left Culiacan but was attacked with AK47s when it reached the drug fields.

The official said that the aircraft's pilot managed to pull out and leave the area even though the helicopter was badly damaged.

The commander said that the operation began yesterday and includes the area between the Tacuichamona mountian range—located 60 km northeast of Culiacan—and the limits of the Chihuahua mountain range.

Six Metric Tons of Cocaine, 2 Planes Seized

PA1710001990 Mexico City XHTV Television in Spanish 0209 GMT 16 Oct 90

[Text] The Judicial Drug Police this weekend dealt an important blow to drug trafficking, particularly to the Medellin Cartel. In two actions in Ciudad Jimenez, Chihuahua, the police confiscated nearly six metric tons of cocaine base. Sixty federal policemen intercepted five airplanes that had arrived from Colombia at Palo Santo farm in Ciudad Jimenez with 2,924 kg of high-grade cocaine. The drug traffickers opened fire on the drug

policemen. Three planes took off, two of which escaped. The third, a King Air, was shot down by the police and crashed. The police were not able, however, to detain any of the drug traffickers, even those in the crashed plane.

In the course of the operation, the police arrived at the Tres Hermanas farm and discovered three metric tons of cocaine. This seizure exceeds the one made in Chiapas last week, which was of 5,800 kg. The Prosecutor General's Office reported that this is a record figure in drug seizures. Thanks to the drug police, the distribution of 105 million doses of this drug was prevented.

Fisheries Secretariat on U.S. Tuna Embargo

PA1710003890 Mexico City NOTIMEX in Spanish 0200 GMT 16 Oct 90

[Text] Mexico City, 15 Oct (NOTIMEX)—The Fisheries Secretariat announced here today that Mexico has been officially notified of the establishment of an embargo on its yellow fin tuna exports to the U.S. market.

The Secretariat pointed out that the official communique was released in spite of the fact that on 7 September the U.S. Department of Commerce had extended the deadline—until 31 December—for when the United States would discontinue its imports of Mexican tuna.

Thelton Henderson, a judge from San Francisco, California, ruled against the Mexican exports, however, as he believes there is an excessive death rate among dolphins associated with tuna fishing.

The Fisheries Secretariat feels this charge is unfounded, proffering as evidence the fact that the Inter-American Commission for Tropical Tuna (CIAT) certified that in the first nine months of 1990 Mexico has significantly reduced the dolphin death rate.

This has been made possible thanks to the measures adopted by the Mexican Government to regulate the tuna fishing techniques and protect the dolphins. These measures were published in the official newspaper on June 1990.

The Secretariat said that the three most important U.S. tuna packing companies decided on 12 April to declare an embargo on Mexican tuna because of pressure exerted by ecology groups in the country.

This was done even though the companies do not have scientific and technical evidence to prove that the Mexican tuna fleet did not abide by the limits imposed unilaterally by the United States, in accordance with its marine mammal protection law.

The Secretariat added that the decision adopted due to the pressure exerted by the "Earth Island Institute" is the responsiblity of the U.S. Government, so the ensuing process should be exclusively handled by the same.

El Salvador

Armed Forces Begin 'Counterinsurgency Operation'

PA1710140990 San Salvador Radio Cadena YSKL in Spanish 1200 GMT 17 Oct 90

[Text] We have an international report from ACAN-EFE. In the past few hours, the Salvadoran Armed Forces have launched a land and air counterinsurgency operation in the conflict-ridden Morazan Department in eastern El Salvador to counter a possible guerrilla offensive. According to military sources, members of the 3rd Infantry Brigade, the counterinsurgency Battalion Manuel Jose Arce, and the 4th Military Detachment are participating in a search operation for guerrillas. With this operation, the Armed Forces intend to block routes that the guerrillas could use for a possible offensive. Defense Minister Colonel Rene Emilio Ponce said this weekend that the Armed Forces remain on alert in the face of a possible rebel offensive that could be carried out before 4 November.

Rebels Attack San Salvador's Outskirts

PA1810050190 San Salvador Radio Cadena YSKL in Spanish 0410 GMT 18 Oct 90

[Text] Attention listeners of Radio Cadena YSKL. Attention please. Regarding the incidents that are taking place tonight, we can inform you that military sources have confirmed that in the following neighborhoods armed action is currently taking place: Los Santos 1, Quinones, Quiros, Lomas del Rio, and Buena Vista.

I repeat: Military sources have confirmed that in the following neighborhoods rebel action is currently taking place: Los Santos 1, Quinones, Quiros, Lomas del Rio, and Buena Vista, Soyapando Jurisdiction. The Soyapango Municipality is where the heaviest action is taking place, in a sporadic manner in the outskirts of San Salvador. We ask our listeners to remain calm. This radio station will keep you continuously informed of the action that is taking place in the outskirts of San Salvador.

There is no information thus far on the number of casualties. Shooting and clashes in the area of the Los Santos, Quiros, Quinones, Lomas del Rio, and Buena Vista neighborhoods have been going on for approximately the past 40 minutes. The area of Zacamil, San Antonio Abad, and Ciudad Merliotz are apparently calm. There are restrictions on passing through the area of Agua Caliente, Soyapango Municipality, so we beg our listeners to remain calm. Our mobile units are already circulating in the city to verify and confirm reports on site.

Further on FMLN Soyapango Attack

PA1810050990 San Salvador Radio Cadena YSKL in Spanish 0410 GMT 18 Oct 90

[Report by Rene Hurtado; broadcast in progress]

[Text] ...Ilopango, the zone through which the guerrillas have penetrated and attacked several positions at random. Helicopters are overflying the area. They are firing on the eastern part of Soyapango. This was precisely the zone mentioned by Raul Beltran [not further identified]. At this moment, it is not known if there have been casualties or wounded during the fighting that broke out in the eastern part of the capital. FMLN guerrillas have been attacking vanguard Army positions. Flares are lighting up the eastern part of the capital. There are explosions. Air Force aircraft are also overflying the area. At this moment helicopters are firing continuously over the eastern part of Soyapango. Helicopters continue to overfly the area. There are two helicopters. They are shooting in that eastern area of Soyapango, while flares light up the eastern sector of the capital. This has been a guerrilla attack against vanguard Army positions. This has been our report. We will give you more details during the course of our broadcasts.

Army's 1st Brigade Attacked

PA1810043090 Paris AFP in Spanish 0412 GMT 18 Oct 90

[Text] San Salvador, 18 Oct (AFP)—Guerrillas attacked the Army's 1st Infantry Brigade headquarters in the northern part of the Salvadoran capital tonight, official sources have confirmed, as intense shooting could be heard throughout the city. The attack, the size of which is not yet known, began at 2130 (0230 GMT). Army troops have been deployed to the area in helicopters, while the alarmed inhabitants sought refuge.

Car Bombs Explode in Ilopango

PA1810053190 San Salvador Radio Cadena YSU in Spanish 0440 GMT 18 Oct 90

[Report by unidentified news anchor and YSU News Department Director Carlos Mario Marquez from San Salvador—live]

[Text] [News Anchor] We have direct contact with YSU News Department Director Carlos Mario Marquez. Go ahead Carlos Mario.

[Marquez] Good evening. This is to confirm that there is an official report stating that two car bombs exploded in San Felipe Canton, Ilopango Jurisdiction, at approximately 2125 [local time] this evening. Apparently, the car bombs were intended to damage the Salvadoran Air Force installations in Ilopango. An Air Force spokesman reported, however, that no damage was done to the installations. The attacks that began at approximately 2125 were mainly conducted in the Quiros, Bosque de los Rios, and Montecristo neighborhoods.

According to the report, Salvadoran Air Force helicopters are overflying various parts of San Salvador. Similarly, it was learned that access to areas near the headquarters of the 1st Infantry Brigade have been denied to all vehicles to prevent unfortunate events. The report adds that the Army is conducting a search operation in

the area of Ilopango to locate the alleged assailants who placed the car bombs in that area. We repeat. The Air Force installations did not experience any property damage. The two car bombs were placed in San Felipe Canton, Ilopango Jurisdiction, and simultaneous detonations were heard.

It was said that the attack on advanced Air Force positions was carried out with catapults, the so-called mobile artillery platforms. The report also includes information on the attacks carried out against 1st Infantry Brigade positions in the area of Colis Hill in the northern part of San Salvador. According to the official bulletin, there are no reports of casualties resulting from these armed incidents. The report urges people to remain calm. It was officially stated that combing operations are being conducted throughout San Salvador, and that soldiers are using flares and helicopters to carry out these operations.

Air Force Installations Attacked

PA1810053990 Panama City ACAN in Spanish 0505 GMT 18 Oct 90

[Excerpts] San Salvador, 17 Oct (ACAN-EFE)—The Salvadoran guerrillas tonight launched a violent attack against Salvadoran Air Force [FAS] installations in the capital, one of the largest military installations in the country. [passage omitted]

The official radio station of the Armed Forces, Radio Cuscatlan, said tonight that the guerrillas who are participating in the attacks are dressed as civilians to mix with the population.

Traffic to that part of the capital, through a secondary road, has been blocked to the public, and columns of smoke are visible in the area where the FAS installations are located, according to civilian sources.

Other sources said that they heard explosions and heavy rifle fire in different areas near the capital, especially in the northern section.

Several parts of the city, where military barracks are located, are surrounded by barricades.

Red Cross spokesmen said that they are currently unaware of any casualties, but the organization remains on alert.

Attack Reportedly 'Under Control'

PA1810062290 Panama City ACAN in Spanish 0551 GMT 18 Oct 90

[Text] San Salvador, 18 Oct (ACAN-EFE)—The violent attack launched tonight by the guerrillas against Salvadoran Air Force (FAS) installations in the capital, "has already been brought under control," an Army spokesman reported.

A source from the Armed Forces Press Committee (Coprefa) told ACAN-EFE that, according to a preliminary study, one soldier was wounded, and a helicopter was damaged when it was hit by shrapnel.

The FAS headquarters is located 15 km east of downtown San Salvador, near one of the most populous neighborhoods in the capital, Soyapango, the site of heavy clashes in the rebel offensive of November 1989.

According to the military source, the attack began at 2150 on 17 October, (0350 GMT 18 October) and it lasted an hour and a half.

These actions by the FMLN [Farabundo Marti National Liberation Front] guerrillas also extended to Mejicanos, Zacamil, and other neighborhoods in north and northwestern San Salvador, according to the same source.

A FAS officer told ACAN-EFE that the installation has no power, and that no one may leave for security reasons.

Gunfire Said Ceasing

PA1810062990 San Salvador Radio Cadena YSU in Spanish 0558 GMT 18 Oct 90

[Report by Carlos Mario Marquez from San Salvador—live]

[Text] The report issued by the Armed Forces Press Committee [Coprefa] states that shooting has stopped in various parts of San Salvador, and that there is sporadic shooting only in the northwestern part of Soyapango, specifically in the area of Unicentro. The report says that some incidents are still taking place there. According to Coprefa, the events that took place in the areas of Mejicanos, San Antonio Abad, and Zacamil were only isolated actions.

Coprefa also reported incidents in the area of (Las Divisas) neighborhood, Soyapango Jurisdiction, and in the vicinity of the Air Force installations. The report says that as a result of this attack near the Air Force installations, one mechanic was wounded and one helicopter was damaged.

A few minutes ago, we received a phone call from Spain, because the news of this attack has already reached the rest of the world. A fellow radio station called us to confirm whether there are any wounded civilians. We do not, however, have any reports on casualties thus far, although the service institutions [word indistinct] experiencing some problems as a result of this armed action.

Government 'Message' to Citizens

PA1810064390 San Salvador Domestic Service in Spanish 0614 GMT 18 Oct 90

["Message" issued by the Salvadoran Government to the Salvadoran people on 17 October in San Salvador]

[Text] The government of the Republic informs the Salvadoran people that tonight at 2045 [0245 GMT 18 October] the FMLN [Farabundo Marti National Liberation Front], demonstrating its lack of willingness to contribute toward securing peace in the country, staged the following terrorist actions:

1. An attack with catapults, mortars, and RPG-7's against the Ilopango Air Base, resulting thus far in one wounded mechanic, two damaged vehicles, and one damaged helicopter. The damage inflicted upon the civilian population in the vicinity by the rest of the explosions is not yet known.

2. Also, Air Force units detected several vehicles loaded with large amounts of explosives, which were defused in a timely manner.

3. During the terrorist attack, guerrilla groups were detected in the neighborhoods Bosques del Rio, Santa Lucia, Quiros, Montecristo, the southern zone of Soyapango, and the Agua Caliente electrical substation. This confirms the internal division that exists among the various levels of FMLN leadership regarding the peace process, as was denounced in an opportune manner by government authorities. The government of the Republic reiterates once again to the citizens in general that the Armed Forces are professionally fulfilling the constitutional mandate of safeguarding the tranquility and security of the Salvadoran people.

San Salvador, 17 October 1990 [date as heard]

FMLN Begins Foreign 'Diplomatic Offensive'

PA1710131890 San Salvador Radio Cadena YSKL in Spanish 1200 GMT 17 Oct 90

[Text] The Farabundo Marti National Liberation Front [FMLN] has begun a diplomatic offensive in San Jose, Costa Rica. This offensive will simultaneously involve Latin America and Europe. It is an effort to earn support for the dialogue in solving the Salvadoran conflict. FMLN spokesman Miguel Saenz said that the guerrillas will not abandon the negotiations despite any possible military actions by either party.

Saenz, together with Commanders Nidia Diaz and Mercedes Letona, began their diplomatic campaign by meeting with Costa Rican President Rafael Angel Calderon and Foreign Minister Bernd Niehaus, who were receptive to the FMLN initiative. Simultaneously, and with the same goal in mind, another FMLN delegation travelled to Europe. This delegation is headed by Commander Salvador Samayoa and will visit Spain, France, England, Germany, the Netherlands, and Sweden.

Saenz announced that they will go to Tegucigalpa on Friday to meet with President Rafael Callejas and other leaders and will proceed later on to Venezuela, Colombia, Ecuador, Argentina, Uruguay, and Chile. The mission will end on 31 October, four days prior to the next meeting with the negotiating commission of the Salvadoran Government headed by Alfredo Cristiani.

Saenz said that the general purpose of this diplomatic effort is to explain to the leaders of these nations the FMLN position on the negotiations and the possibility of ending the standstill at the negotiations. The FMLN will also explain its views on the upcoming municipal elections in El Salvador.

A specific initiative will be disclosed after it is explained to Alvaro de Soto, representative of UN Secretary General Javier Perez de Cuellar in the Salvadoran peace talks. The 11-year-old war in El Salvador has left more than 70,000 victims. We have been hearing that same figure since 1985, as if no one else has been killed since that year. Property losses caused by this war are estimated at several million dollars. The date of the meeting with De Soto was not disclosed.

FMLN Criticizes U.S. Aid to Armed Forces

PA1710190890 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 17 Oct 90

[Communique issued by the Farabundo Marti National Liberation Front (FMLN) General Command on 16 October; place not given]

[Text] FMLN Communique: The U.S. Senate is discussing a bill that would approve all the military aid to the Salvadoran Armed Forces if the FMLN rejects an alleged and previously unknown plan of the UN Secretary General for a cease-fire. Fifty percent of the military aid would be withheld only if the FMLN accepts the plan.

The FMLN rejects the bill being discussed by the U.S. Senate because it thinks that:

1. The U.S. Government would assume the role of arbitrator in the negotiations process.

2. The U.S. Government would be surpassing and disavowing the agreement signed by the Salvadoran Government, the FMLN, and the UN Secretary General in Geneva on 4 April 1990. The agreement is the framework that governs the negotiations process.

3. The U.S. Government would be arbitrarily assuming—through the approval of a U.S. law—the authority to decide what the UN Secretary General must do, even though the UN comprises 156 member countries.

4. The U.S. Government would be changing the contents and procedures of the Geneva Agreement, which states that the initial goal of the negotation process is the achievement of political agreements in coordinating a cease-fire.

These goals were emphasized and programmed by the agenda, which was approved during the May meeting in Caracas. The agenda stipulates that political agreements

that guarantee demilarization and democratization are necessary prior to a cease-fire agreement.

According to these agreements, it is clearly legal for the FMLN to only accept a cease-fire if the Armed Forces are subjected to a thorough purge of murderous individuals and groups. This is the only way to guarantee absolute respect for the freedom and lives of all the military dictatorship's enemies. A cease-fire without a thorough purge would lead to a new and even worse bloodbath and to a reign of death-squads.

5. The government's intransigent position at the negotiations would be encouraged because a reduction of 50 percent in military aid in exchange for submitting the FMLN to a cease-fire, supposing that the FMLN accepts, would be the best option for the Armed Forces. It would be able to remain intact, without any purge. The Armed Forces would retain the apability to repress with impunity, and the FMLN would be militarily deactivated.

6. Within this framework, the Armed Forces would not need all the military aid, and it would have more than enough with 50 percent of that aid. Several months ago, the FMLN publicly stated its willingness to negotiate a cease-fire, provided that the U.S. Government suspend all of its military aid to EL Salvador. The U.S. Government rejected the offer.

The U.S. Government's rejection of the offer and its current attempts to impose its will on the FMLN through the bill being discussed by the Senate confirms that the U.S. Government is not a mediator. Instead, it is a party directly involved in the war. Its policy has financed and extended the war. Cutting all military aid, without trying to act as arbitrator in the negotiations—and without imposing a cease-fire that is favorable to the military dictatorship—would be the way to assume its responsibility in ending the war.

The FMLN rejects any pressure aimed at disrupting the framework established by the Geneva Agreement. This would, in turn, imply a disruption of the negotiations. We will not accept a deadly blow against the Geneva Agreement or a cease-fire without thorough changes within the Armed Forces. Far from contributing towards a negotiation, they would both disrupt it.

[Signed] FMLN General Command, 16 October 1990.

Rejects Aid Cut, Cease-Fire Link

PA1710161290 San Salvador Canal Doce Television in Spanish 0300 GMT 17 Oct 90

[Text] The Farabundo Marti National Liberation Front [FMLN] today rejected any U.S. plan to link a cut in military aid to our country with a cease-fire on the part of the rebels. In a communique issued by the General Command, the FMLN insisted that an acceptance of the conditions set by the U.S. Congress would turn Washington into a mediator in the negotiations and would upset the Geneva agreement that establishes the guideliness for the peace talks. According to the FMLN, to accept the U.S. Congress' proposal would be akin to giving the U.S. Government the right to directly participate in the talks. In this respect, the FMLN stressed that one can only begin to talk of a cease-fire when the Armed Forces have been purged. This, in turn, would guarantee respect for civil rights.

FMLN Still Receiving Arms From Nicaragua

PA1710232790 San Salvador EL DIARIO DE HOY in Spanish 16 October 90 p 3

[Text] FMLN [Farabundo Marti National Liberation Front] terrorists still receive weapons and other military supplies from Nicaragua, where they have an ammunition depot, Defense Minister Colonel Rene Emilio Ponce reported on 15 October.

Col. Ponce said that although formal power in Nicaragua is held by the new government headed by President Violeta Chamorro, the Sandinists still control the military cadres.

According to Ponce, the Sandinists themselves are divided because, while some have accepted the change of government in Nicaragua, others, the warmongers who have commitments to the FMLN, have continued with past practices and are still sending weapons to the Salvadoran rebels.

Col. Ponce recalled that Cuban strongman Fidel Castro has frequently reiterated his commitment to the FMLN.

He said that the terrorists receive the weapons by land and sea despite great efforts to stop those shipments.

Col. Ponce added that ONUCA [UN Observer Group in Central America] has been asked to patrol the Gulf of Fonseca to stop the flow of weapons.

Meanwhile, National Navy Commander Captain Fernando Menjivar said on 12 October, on the occasion of the 39th anniversary of the Navy, that the two main objectives of the naval forces are to protect national sovereignty in our territorial waters and to patrol national waters to prevent arms shipments. He added that four launches carrying ONUCA members participate in patrols.

Two weeks ago, the Nicaraguan Government amended Article 546 of the Penal Code to establish jail sentences of up to 10 years for anyone promoting, helping, or organizing irregular foreign forces; taking part in them; or using or permitting the use of Nicaraguan territory to encourage, help, or provide military and logistical assistance to those forces and to forces organized in other countries through the trafficking, storing, and transferring of weapons, military equipment, and supplies, or the recruitment and training of military personnel.

The measure also includes anyone who installs or operates clandestine radio or television stations or radio communications equipment. Those who violate these measures could be sentenced to 10 to 13 years in jail.

Any weapons, supplies, and equipment used in connection with such crimes would be confiscated.

Salvadoran Deputy Foreign Minister Ricardo Valdivieso noted that there are approximately 6,000 metric tons of weapons in Nicaragua [bound for the Salvadoran guerrillas] that "are still there."

Valdivieso stressed, however, that the recent measures adopted by the Nicaraguan Government—the amendments to the Penal Code—are positive and confirm the line followed by Violeta Chamorro's government.

Guatemala

UCN Claims 'Hired Assassins' Murdered Ruano

PA1810021490 Guatemala City SIGLO VEINTIUNO in Spanish 16 Oct 90 p 10

[Text] Jose Carlos Acevedo, leader of the Union of the National Center [UCN], stated publicly yesterday that three hired assassins were paid 20,000 quetzals by government "officials" to murder opposition congressman Otto Rolando Ruano Reyes on 24 June.

The departmental coordinator of the UCN in Jalapa pointed out that he has been investigating the murder of the congressman and his companion along a Jutiapa highway. This murder remains a "mystery," according to the security forces investigation.

Acevedo explained that he cannot disclose the identities of the assassins and masterminds, "but it is sad that Otto Rolando was murdered by hired gunmen who were paid 20,000 quetzals for their 'job.' We know when, who, how much, and where the murder was planned," he stressed.

Acevedo emphasized that "there are public officials involved" in the double murder. "We know that threats have been made against our people. We know who killed Deputy Ruano, and we know they are planning another murder," he added.

He pointed out that the UCN is fully aware of the threats and risks to its candidate for Jalapa mayor, David Carcamo, as well as other candidates nominated by the UCN for other offices around the country.

He commented, however, that "as of 14 January, the long arm of Jorge Carpio Nicolle will begin to reach into every corner of the country," and the death of Ruano Reyes will not go unpunished, as was the case with Christian Democratic leader Danilo Barillas Rodriguez.

About the criminals, he warned that "we are going to search for them, and we will extradite them if they manage to leave Guatemala. They will be taken to jail," and they might even be sentenced to capital punishment for the murder of the legislator from Jalapa.

He regretted that "there is absolutely no political willingness" in the Christian Democratic government "to do anything," but he insisted that the ambush by the hired assassins against Otto Rolando Ruano was due to political motives and envy." [quotation marks as published] Acevedo did not specify if any candidate running for public office who was opposed to the victim was involved, "but there are people from the area who are involved."

URD Secretary General Gonzalez Slain

PA1810003890 Guatemala City SIGLO VEINTIUNO in Spanish 16 Oct 90 p 3

[Text] Humberto Gonzalez Gamarra, secretary general of the Revolutionary Democratic Union, URD, (in the process of being formed) and a well-known radio industry figure, was shot yesterday afternoon at Roosevelt Road and 23 Avenue in Zone 11 as he rode in his car, license plate number P-76012.

The assassination of Gonzalez Gamarra took place at approximately 1600 (2200 GMT), as he and his five-year-old son Salvador were on their way to a nearby mall. The murderers, in another vehicle, drove by the Gonzalez car and shot him at point-blank range. The boy was unharmed.

Volunteer firemen took Gonzalez Gamarra to Roosevelt Hospital, but he died en route.

Humberto Gonzalez Gamarra, along with his brother Alfredo and his sister Jeannette, ran the family-owned radio stations—Radio Nuevo Mundo Network, Radio Sensacion, Radio Cristal, and Radio Fabulosa.

Gonzalez Gamarra was also working on the formation of the pro-social democratic URD political party, which follows the ideals and philosophy of Manuel Colom Argueta, another slain leader.

Alfredo and Jeannette Gonzalez reported that their brother had apparently lived a normal life, which helped to consolidate the democratization process. He had not received any threats, they added.

Humberto Gonzalez Gamarra was married to Estela Maza de Gonzalez by whom he had four small children—Humberto, Salvador, Estelita, and Ernesto.

Humberto Gonzalez Gamarra was the son of Humberto Gonzalez Juarez, secretary of public relations of the government headed by former President Jacobo Arbenz Guzman. Gonzalez Juarez was also murdered, along with a friend and his secretary, in 1970 after being kidnapped.

Gonzalez Gamarra distinguished himself during the administration of former Guatemala City Mayor Manuel Colom Argueta and actively promoted the founding of the United Revolutionary Front in 1980. Given the murder of Colom Argueta, this organization disbanded, due to the high amount of violence back then. Gonzalez Gamarra sought political asylum in neighboring Mexico, where he remained for several years.

Gonzalez Gamarra returned to the country when the current government took office, and he returned to his idea of forming a political organization.

Carlos Duarte, secretary general of the United Revolutionary Democratic Front, FUR, visibly shocked, condemned what he described as the despicable murder of a man who, after facing political persecution and exile for several years, had returned to the country to help strengthen the democratic process.

Duarte stressed that, before international public opinion, this crime ranks Guatemala as a country of cavemen and animals where everything is resolved by shooting. He blamed political rightist forces for the assassination of Gonzalez. He asserted that these forces are now voicing their triumphant electoral positions, when they have in fact further impoverished Guatemala.

Meanwhile, on behalf of the government, Carlos Anleu, deputy secretary of public relations for the Presidency, strongly condemned the assassination of Humberto Gonzalez Gamarra, political leader and radio industry businessman. Anleu added that this represents a serious loss for the country. We cannot believe that such a thing has happened, because he was a very peaceful, hard-working, and courteous person, the presidential spokesperson stated.

Honduras

Callejas on Willingness To Send Troops to Gulf

PA1710231090 Tegucigalpa EL HERALDO in Spanish 16 Oct 90 p 2

[Text] President Rafael Leonardo Callejas confirmed yesterday that his government has sent a note to the Saudi Arabian Mission to the United Nations reiterating that he is willing to send a symbolic contingent to the Persian Gulf, but not of the size the media has reported.

The president pointed out that the 750 Honduran soldiers mentioned by international news agencies is too high a number and beyond the country's capability.

Callejas did not agree with the statements by Foreign Minister Mario Carias Zapata, who said yesterday that the government's agenda includes supplying, for several months, a Honduran contingent for a multilateral peace force, which has received worldwide support in confronting aggression, of between 150 and 500 soldiers.

The president even said that a request still needs to be submitted to the National Congress, but "we have not mentioned any figures; the number that has been mentioned is too high and beyond our capability. We have decided it will be a symbolic presence, but the final decision will be made by the Congress."

He also explained that that cost of deploying troops to the Persian Gulf is yet to be determined, but he promised it would be in keeping with the capabilities of the Honduran economic system.

Callejas believes that the Honduran presence in the Middle East, as well as that of other countries that support the UN resolutions, will contribute to peace.

"We believe it is again time, as in the past, to demonstrate with our presence our support for the UN resolutions. According to our foreign policy, we cannot accept having one state annexing lands belonging to another. I believe Honduras has had previous experience in this regard, and as we enforce our principles, our foreign policy will be more clearly defined," he added.

Concerning other matters, Callejas said that it was not worthwhile to comment on statements that he has a private account containing 25 million lempiras.

"It is not worthwhile to comment on that. The budget is clear-cut and may be freely discussed at the National Congress. We even submitted it before the 15 September deadline stipulated by the Constitution. Those who say such things know they are untrue and their only objective is to create a political scandal," he said.

He also referred to comments by businessman Jaime Rosenthal Oliva, the Liberal Party presidential nominee, who said that the agreement to exchange tax information with the United States is a "rooster-hen" agreement, which only benefits the northern country.

"I would put it in other terms, because I had the courage to sign it, something that others did not have when they were in power. There will be information on drug trafficking, and mechanisms will be created to investigate Hondurans who have funds abroad; the latter may by the part that concerns Rosenthal Oliva."

The president finally said that there have been no political prisoners in the country during the past decade and that those who say otherwise do so to tarnish the image of the country.

Nicaragua

Chamorro Installs National Agrarian Commission

PA1810031890 Managua Domestic Service in Spanish 1815 GMT 17 Oct 90

[Report on statement by President Violeta Barrios de Chamorro in Matagalpa Department on 17 October]

[Text] President Violeta Barrios de Chamorro installed the National Agrarian Commission today, based on Agreement 54-90, by which the national salvation government commits itself to finding a solution to the tense situation in the Nicaraguan agrarian sector. The ceremony, which took place in a tomato processing plant in Matagalpa Department, was also attended by Presidency Minister Antonio Lacayo, Government Minister Carlos Hurtado, Army Commander General Humberto Ortega,

other government personalities, and representatives of associations, labor unions, and businessmen.

[Begin Chamorro recording] Good morning, dear friends. This past Monday we began forming in Managua the National Agrarian Commission because I want all of us to work together to rebuild our fatherland and without discord, which would lead to total disaster. We are installing a commission in this region of Sebaco today. We are going to find solutions as soon as possible. We are going to work together because we are Nicaraguans. We are going to work to push the country forward after all the problems we have had, problems that we are going to resolve. I hereby declare this commission dedicated. I do not want to make this ceremony too long because I am going to Caracas to continue to struggle for the country this afternoon. [end recording]

Official Blames FSLN for Attack on Residence

PA1710184690 Managua Sistema Nacional de Television Network 0200 GMT 16 Oct 90

[Passages in italics are recorded]

[Text] Early in the morning of 14 October, a bomb exploded at the residence of Jaime Cuadra, government delegate in Matagalpa, while his family was sleeping. Cuadra blamed the Sandinist National Liberation Front [FSLN] for the attack. Matagalpa delegate Jaime Cuadra and his family were awakened suddenly at 0200 on 14 October by an explosion that destroyed part of his home.

[Cuadra] *Apparently the bomb was placed in the garage. The purpose of the attack was not to scare us, but to kill us. As you can tell by the damage, this bomb was not meant just to scare someone. The entire garage and one bathroom, which was very close to our bedroom, was destroyed.*

Jaime Cuadra has no doubts about who is responsible for the attack.

[Cuadra] *The only group responsible for this attack is the FSLN because it is my only enemy. I do not think the police should waste time investigating John Doe or someone else when the true culprit is the FSLN. The police should not punish an individual who is following orders from the FSLN; it should punish the FSLN."*

There are various conflicts in the area of Waslala and San Ramon over land tenure that have led to armed confrontations. The government delegate has been trying to restore peace to these areas.

[Cuadra] *We have been experiencing these problems for a long time, ever since we began the electoral campaign that led to the victory of the National Opposition Union [UNO]. Throughout the campaign, we received threats from Wilwil to Rio Blanco and from Dario to (Ferrabona). We were constantly being threatened. The threats, however, never reached the point of terrorism.*

Cuadra is not planning to give up his position, and he has developed new plans together with the Army, the government, and the Agrarian Reform Institute to restore peace to the lands that have been seized.

[Cuadra] *I have always upheld my stand. From the beginning of the electoral campaign, I risked my life for democracy, and I will continue to do so. I will remain in my position with the support of the people. For the time being, we have a commitment not to evict anyone from the lands occupied by members of the Nicaraguan Resistance, as well as members of Sandinist organizations who have taken over privately-owned lands.*

Panama

Endara Rules Out Possible Coup, Views USSR

PA1810034590 Panama City EL SIGLO in Spanish 17 Oct 90 p 12

[Report by Aneldo Arosemena]

[Text] Panamanian President Guillermo Endara has stated that he does not see any possibility of a coup d'etat against his government. At the same time Carlos Bares, former chief of the Institutional Protection Service, the armed security corps for the Executive Branch, has stated that the organization is not on any type of alert and that the situation is stable and normal throughout the country.

"There is no such thing, I cannot see any such thing," the president stated in response to questions related to an alleged international plot to oust him from power. Regarding the public demonstrations and protests that groups opposed to his government have staged and plan to carry out, Endara stated that the persons who wish to stage demonstrations on the street are free to do so, because they are Panamanian citizens. "I am the first to defend their right to exercise their freedom to demonstrate and freedom of expression and I know that they will exercise it in a responsible manner, because they are responsible persons," Endara said.

The current tenant of the Palace of Herons [presidential palace] said that he did not know of statements by special presidential adviser Marcos Alarcon concerning leftist elements within the PRD [Democratic Revolutionary Party] infiltrating the hunger strike maintained by two students of the National Institute, with the intention of using the strike politically. "I do not know of such statements and have to talk to Marcos Alarcon so that he can explain them to me," Endara said.

Endara's statements came in response to rumors that there is a campaign to destabilize his government and that it is apparently sponsored by parties that comprise the government alliance.

Concerning the possible blocking of streets by Colon transport workers who are demanding respect for union rights, the president insisted that streets should not be

blocked in these struggles, adding that his position on this is firm. "There are occasions when I prefer to engage in dialogue and not have to resort to force. Democracy must demonstrate force when it means that third parties will be harmed under the pretext that transport workers are going to exercise their right to demonstrate. This right must not be detrimental to the rights of third parties in exercising freedom of transit and trade, the president stated.

Commenting on the awarding of the Nobel Peace Price to Soviet President Mikhail Gorbachev, Endara said that Panamanians in general agree that the peace prize should be granted to the communist leader. He added that Gorbachev's rise to power in the USSR has signified a change in history that no one imagined possible years ago. "Gorbachev currently has tremendous merit, and we really view the Soviet Union with a different outlook compared to that of a year ago."

Columnist Denies Receiving Documents From Herrera

PA1710223490 Panama City LA PRENSA in Spanish 17 Oct 90 p 4-A

[From the "In a Few Words" column]

[Text] It is not true that Eduardo Herrera has distributed copies of documents of the Joint Debriefing Center [JDC] among journalists. I have not personally seen Herrera since I returned from exile. I have talked to him by telephone on two occasions. The first time was after his resignation, or removal. The second time was when I became sick and he called me to inquire about my health. The information concerning the Dadeland conclave came to me directly from Miami.

The anonymous officer whose malevolent insinuations were published by a newspaper yesterday has blatantly lied. I was one of the first to see the JDC documents, and I categorically deny that I received them from Herrera or any other military officer. They were photocopies of the original. They all had the letters RPR printed at the bottom, under the name of the person interrogating the prisoner. My interpretation of those letters is Releasable to Panama Republic [previous four words in English]. In other words, it means that the documents could be released to the Panamanian authorities—not military, but civilian authorities. I assume it refers to the Ministry of Government and Justice or the Attorney General's Office. I must note that I have never used the material I have received through those means. I have never carelessly used confidential information. More than anything else, the documents give me a clearer picture of the psychological and moral climate within the Defense Forces and help to complete and put the finishing touches on an essay on the country's political situation I have been working on for many years. This was until....

One afternoon a well-known journalist called me from the United States to talk to me about another subject. During the conversation, I realized that he too had read the super secret documents. Moreover, he told me that the following Sunday an article he wrote would be published in which he cited the JDC documents. I felt free, therefore, to break my promise to remain silent. I disclosed some minor details, most of them on the light side, such as [former intelligence chief Nivaldo] Madrinan's hilarious account to investigators of his entering the Nunciature, his meeting with Noriega—who was scared to death and more incoherent than ever—and the torment he suffered from the Gregorian hymns and the masses. I also had a better understanding of the cowardly behavior of the Panamanian officers, beginning with Noriega, during the invasion. Someday I will use the information I have, together with eyewitness testimony, to write the epilogue of this frightening history.

A few days after the telephone call, I received a parcel bearing stamps from a European country. They contained the mysterious JDC documents. They were not photocopies of originals, like the ones I had before, but summaries of the contents. The sender, also a well-known journalist, sent a note with the package thanking me for the help I had given him in another investigation. At the end of his note, he begged me to disclose the source of the documents if I ever used them. [sentence as published] I have no idea where he got them.

I can understand the nervousness of the anonymous officer. In the JDC documents, the military officers who are under arrest make statements about their colleagues. Many of those statements—most of which are not very flattering, and many which are harsh—concern not only military officers who are dead or under arrest, but also others who have joined the Public Force and PTJ [Technical Judicial Police], beginning with the PTJ chief.

As the reader knows, those are not the only documents to which I have had access. You know the ridiculous story about the mysterious boxes with which I was accidentally involved. I also think I told you about the way I managed to obtain several boxes from the G-2 [intelligence] offices, and from the personal files of Noriega himself. I have talked with several officers who in one way or another participated in this history, and I have obtained confidential information from people who were very close to Noriega or who went through the hell of intrigue that the Defense Forces and its civilian appendices represented.

I believe that I now know everything that was worth investigating in this filthy episode. The experience, like any submersion into human misery, has made me very sad. I am also ashamed to know that so many Panamanian civilians helped a gang of criminals plunder and ruin the country, while others entertained them as clowns or pimps. They praised the wisdom of semi-illiterates or the intelligence of authentic imbeciles. They should all share jail cells or the defendant's seat with the gangsters.

Rumor of Student's Death Prompts Demonstrations

PA1810024690 Panama City EL DIARIO INDEPENDIENTE in Spanish 17 Oct 90 p 23

[Report by Josefa Cedeno]

[Text] Violent acts and disturbances broke out yesterday in the National Institute in the wake of strong rumors that one of the students on a hunger strike had died. This provoked the ire of the National Institute students, who marched toward the Don Bosco Church.

The rumor, which was spread by some students and which turned out to be false, paralyzed Central Avenue for several hours in front of the basilica; 15 youths who make up the Committee of Support were sanctioned by the rector's office.

The National Institute students declared a 24-hour strike. They said that if within that time the sanctions and expulsions have not been lifted, they will prolong it for several days and carry out protests on the streets and avenues of the city, Monica Martinez, one of the students sanctioned, announced.

Florentino Pineda, Jose Ibarra, and a youth named Diaz were treated by Doctor Diogenes Arjona, who after examining them, told newsmen that their condition is delicate. "The extended hunger strike is causing them a general state of weakness," the doctor explained.

Pineda is being treated with antibiotics, while the blood pressures of Ibarra and Diaz have improved, according to Dr. Arjona. The doctor, however, was not able to indicate what the youths' level of resistance would be if they continue the strike.

Argentina

Naval Deployment to Gulf, Financial Plan Updated

PY1710165090 Buenos Aires DYN in Spanish 1352 GMT 17 Oct 90

[Text] Buenos Aires, 17 Oct (DYN)—It was confirmed this morning that an Army colonel is traveling to Saudi Arabia to advise Julio Uriburu French, the Argentine ambassador to that country, and to study the logistic support the Army can provide to the Navy vessels sailing to the Persian Gulf.

A spokesman for the Army Press Office indicated that there was no truth to the media report that a group of 30 to 50 officers will be sent to the conflict area within the next 10 days.

The source that was consulted stated that everything has been taken care of and that a preliminary selection of officers and noncommissioned officers to be sent to the Gulf when the top brass gives the order has already been made, "but at the present time there is nothing positive."

It has also been reported that the destroyer Almirante Brown and the missile-carrying corvette Spiro have arrived at the French port of Toulon for an operational stopover that will be repeated in Italy, either at La Spezia or the Augusta Naval Base.

Spare parts will reportedly be purchased for the two helicopters the vessels are carrying, and an Inmarsat satellite system—similar to the one carried by the training frigate "Libertad"—will be installed, thus allowing direct contact between the commanders and the defense minister.

It has been learned that the vessels will also be degaussed, which will prevent their magnetic fields from setting off mines. Reports also indicate that the Spiro's Italian Oto-Melara cannon system will be repaired at one of the peninsular ports because it has been experiencing operational problems.

It is known that the Almirante Brown and the Spiro, which will arrive at the zone of operations on 26 or 28 October, will be stationed in the Gulf of Oman, but they could change positions every two weeks.

Foreign Minister Domingo Cavallo is in Saudi Arabia to take part in a meeting of ministers to discuss the political and financial agreements on which Argentina based its decision to send the two Navy vessels to the Persian Gulf. It is understood that the funds that will be used to finance the campaign will be released as soon as the documents are signed.

It is understood that the funding will be handled through shipping notices, with the commander of the task force signing them in front of the supplier and submitting them to Saudi authorities, who are administrating the funds authorized by the United Nations.

Cavallo will reportedly stay in Saudi Arabia for less than 48 hours and will be received by King Fahd.

Menem Congratulates Gorbachev on Nobel Prize

PY1710180090 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1647 GMT 17 Oct 90

[Text] Buenos Aires, 17 Oct (NA)—Presidential Spokesman Humberto Romero has reported that President Carlos Menem today addressed his "warmest congratulations" to USSR President Mikhail Gorbachev for his being named as the winner of the Nobel Peace Prize.

Menem considers that "there is nothing more just than this distinction" for the man "who has been acknowledged by the international community for his efforts and achievements for better understanding between nations."

In his note Menem expresses "his best wishes for you, your government, and the Soviet people" with this awarding of the Nobel Peace Prize. Menem is planning to meet with Gorbachev on 24 October during his trip to Europe.

UK Ambassador Says Relations 'Very Good'

PY1710201390 Buenos Aires DYN in Spanish 2248 GMT 16 Oct 90

[Text] Cordoba, 16 Oct (DYN)— British Ambassador to Argentina Humphrey Maud today stated that "a lot of progress has been made" in the relations between London and Buenos Aires. He said that he did not know when the relatives of Argentine soldiers who died on the Malvinas Islands would be allowed to visit their tombs on the islands.

The ambassador arrived at noon today for a three-day visit to Cordoba where he had lunch with Governor Eduardo Angeloz. Tomorrow he will visit the local university and various factories in the area.

Maud said that diplomatic relations between London and Buenos Aires are "very good" and asserted that "a lot of progress has been made in many fields, including the commercial, cultural, and investments fields (in that businessmen) are beginning to show interest."

When asked for details on the investments to which he referred, the ambassador answered: "British firms have only shown interest in the oil sector," adding that London "is watching the privatization process with great interest."

Regarding the visit of relatives of Argentine soldiers who died on the Malvinas Islands during the South Atlantic War, Maud said that the British Government intends to "make it possible for relatives to travel to the islands", but "not yet because there are technical matters that must be considered first."

Maud said: "We have discussed with the Argentine Government" adding that "we still do not know exactly

when they will be able to go. The Argentine Government is interested in this topic, and we are willing to fully cooperate."

Menem Departs on Trip to USSR, Italy, Poland

PY1710212690 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2000 GMT 17 Oct 90

[Excerpt] Buenos Aires, 17 Oct (NA)—During the 10-day tour that he started today, President Carlos Menem intends to strengthen bilateral ties with the USSR and Poland through negotiations with Mikhail Gorbachev and Wojciech Jaruzelski. Menem is also scheduled to meet with Pope John Paul II.

Menem departed from the Ezeiza International Airport for Rome at 1600 today. He is scheduled to arrive in Rome at 1130 (Argentine time) tomorrow after making a stopover in Recife, Brazil.

The following are members of the entourage accompanying Menem aboard the presidential plane, Tango 1: Foreign Minister Domingo Cavallo, presidential spokesman Humberto Toledo, Public Affairs Secretary Gustavo Beliz, Air Force Chief of Staff Jose Julia, Worship Under Secretary Angel Centeno, one Senate representative, one Chamber of Deputies representative, and special guests. [passage omitted]

Cuello Dismisses Rumors About Resignation

PY1710225290 Buenos Aires BUENOS AIRES HERALD in English 17 Oct 90 p 5

[Text] (DYN-NA)—Public Revenue Under Secretary Raul Cuello yesterday swept away rumours of his imminent resignation. President Carlos Menem, he said, had "emphatically" requested him to remain at his post during a meeting they held on Monday [15 October].

Cuello revealed that he had gone to the meeting "ready to offer my resignation," but that Menem had given him his full support. The conversation with the Head of State, was, he added, "one between two friends."

Asked if his tenure as Public Revenue Under Secretary might still be "temporary," Cuello retorted that "the President is quite convinced that this is a long-term task."

Cuello's statements came after days of speculation about his possible resignation, fuelled by the release of figures showing a sharply reduced fiscal revenue for September.

Lashing out at the national press for their "bad faith," Cuello argued "if the efficiency of a public official is measured according to the interest or exchange rate in a given month, and he must be prepared to resign if the figures are not those either public opinion or the government desires, we'd never have stability in our institutions."

He then proceeded to defend his performance during the past year, pointing out a number of positive changes: the value-added tax (VAT) had dropped two percent to 13 percent, export taxes levied on manufacturing goods had been eliminated and those levied on agricultural products cut by more than half from a previous level of 30 percent.

Given these modifications, he said, it was pointless to compare this year's fiscal revenue with that of 1989.

Cuello concluded by reaffirming his commitment to crack down heavily on tax evasion. "We'll not be collecting taxes with a smile," he said ominously.

President Menem Signs Strike Regulation Law

PY1710232990 Buenos Aires TELAM in Spanish 1926 GMT 17 Oct 90

[Text] Buenos Aires, 17 Oct (TELAM)—President Carlos Menem today signed a decree that regulates the right to strike in the services that are considered essential and whose "total or partial interruption would jeopardize life, health, freedom, or the security of the community."

This information was personally confirmed by President Menem as he was leaving Government House for the Olivos residence, from where he will leave for the Ezeiza International Airport at the start of his European tour which will include Italy, Poland, and the Soviet Union.

Presidential spokesman Humberto Toledo confirmed later that Menem "has signed" the decree that regulates the right to strike. It was scheduled to have been signed upon his return from Europe.

Toledo explained: "This process was being studied by the government on the basis of other strike regulations in the country." He added: "We have thus unified the regulations, and this is why the president signed the decree today."

The decree has 14 articles that specify essential services such as health and hospital services, public transportation, running water production and distribution, electricity, natural gas and other fuels, telecommunication services, and education at all levels.

The decree includes all the services which, if interrupted, could jeopardize life, health, freedom, or the security of the community, either completely or in part, according to the stipulations of the Labor and Social Security Ministry.

One article says that the Labor and Social Security Ministry will determine when an essential service is affected.

The decree also establishes that if a sector plans to strike, it must give five days notice of its decision to the Labor and Social Security Ministry and that 48 hours before the strike the parties in conflict must agree on the minimum services "that must be provided during the strike to meet the basic needs of the people."

The decree adds: "If there is no agreement, the minimum services will be established by the Labor and Social Security Ministry after consultations with the appropriate Ministry or organization which can make observations on the agreement among the parties in conflict about the minimum services, and comment if they are considered insufficient or inadequate."

The decree, which Presidential Secretary Eduardo Bauza made known on 11 October, says that in cases of companies or activities that are regulated by collective agreements "the parties involved must agree in writing on the methods for providing minimum services, indicating the range of the agreement and the practical way to implement it."

The decree also establishes "mandatory arbitration" if the conciliation fails and the strike goes ahead without respecting the provision of minimum services.

The decree also says that any strike called without complying with the new regulations will be declared "illegal."

The Labor and Social Security Ministry can also implement the new regulation in conflicts between personnel of the centralized and decentralized public administration who are not included in the labor collective agreements.

Menem Criticizes 'Bad' Provincial Governments

PY1710223290 Buenos Aires BUENOS AIRES HERALD in English 17 Oct 90 p 11

[Text] President Carlos Menem yesterday launched a harsh and ironic offensive against all sectors opposed to his socioeconomic polices.

Menem lashed out against Buenos Aires Governor Antonio Cafiero and other governors who "don't know how to run their provinces," described the incidents which marred the recent Radical Party convention as "scandalous," challenged trade unionists Saul Ubaldini, May Sanchez and Victor de Gennaro and brushed aside the Group of Eight dissident Peronist deputies.

The President took on his critics in early morning statements to Radio America but left out one of the likely targets of his wrath, left-wing groupings.

"I can assure my colleague and friend Saul Ubaldini that his sector (the CGT-Azopardo) [General Labor Confederation-Azapardo faction] can stage one or a thousand strikes, that they can do anything within the law but the government won't change its path," Menem said of the imminent labour battle plan.

"Society should take pity on Saul Ubaldini, May Sanchez (CTERA [Confederation of Education Workers of the Argentine Republic] teachers confederation), De Gennaro (ATE [Association of State Workers] state workers union) and everyone who wants to bring back a past which couldn't possibly be repeated in Argentina."

As for Buenos Aires Governor Cafiero, who has been clamouring for a better distribution of federal revenue-sharing funds and on Monday [15 October] called on the provincial population to air their claims in public gatherings, Menem said "he is totally mistaken."

"If the province isn't working well, it's because it isn't run well and not because the central government is depriving it of its resources. To solve economic problems by mobilizing the people is outrageous," stressed Menem.

"Cafiero's attitude is very dangerous for him because the national government has the means to set things straight," he added.

After these statements, Menem met Cafiero at the Olivos presidential residence. The governor, who denied having proposed a popular demonstration, later said he had not been rebuked by the President.

Menem criticized the "bad" provincial governments but added that "there are other provinces with good administrations such as La Pampa, San Luis and Misiones, which run smoothly because they have good governors."

"Argentina is not an underdeveloped country but rather an underadministered one with underadministered provinces."

With regard to the rallies and demonstrations planned for today by trade union sectors to celebrate Peronist Loyalty Day, the President considered that they would "contribute little to Argentina." He further anticipated that they would be aimed at "insulting and attacking the government" but made it clear: "I'm not worried or bothered."

"It seems that the government, because of the necessary adjustments it has undertaken, has become the enemy of those who lived comfortably and led Argentina to disaster."

"Argentina will follow the path of other countries of the world, and some countries in America are already following our example," said the President.

Governor Discusses Problems With President

PY1710223090 Buenos Aires BUENOS AIRES HERALD in English 17 Oct 90 p 11

[Text] (DYN-NA)—Chubut will not cut off gas supplies to the rest of the nation in protest against the dire economic difficulties the Patagonian province is going through, Governor Nestor Perl said yesterday.

Perl met with President Carlos Menem and Interior Minister Julio Mera Figueroa at Government House yesterday.

A day of protest is scheduled in Chubut today, during which a multisector group will present economic demands at the provincial legislature.

Chubut is suffering from "misgovernment ... and the failure to oppose national economic policy," the group said.

The Chubut economy has been paralyzed by strikes and other protest measures since the impoverished province stopped paying wages to public employees and retired workers in August.

Federal security forces will not be sent to Chubut today "but we will act forcefully if anyone steps out of line," Mera Figueroa said yesterday.

The Chubut protest measures are being promoted "by the middle class which has suffered economically in the last few years" and not by "the needy, or the shantytown dwellers," the minister claimed.

He also reminded Chubut that cutting off the gas pipeline to Buenos Aires constitutes "a federal crime" and that threats by the Trelew multisector group to do so will be investigated by the federal police.

Perl told reporters he had discussed the need "to coordinate national and provincial interests" during his meeting with the President yesterday.

The national government claims it is up to date on its payment of oil and gas royalties to the province but agreed to a 20-billion-austral advance in royalties to aid Chubut.

But this is not enough to salvage the Chubut administration, which is between 70 and 90 billion australs in the red.

Airline Buyers Express 'Concern' About Delay

PY1710224890 Buenos Aires BUENOS AIRES HERALD in English 17 Oct 90 p 5

[Text] (DYN-NA)—The Iberia-Cielos del Sur consortium yesterday demanded that the government "hurry up" in finalizing the privatization of Aerolineas Argentinas (AR), State Reform Committee Head Emilio Fluixa revealed last night.

Fluixa said that Iberia President Miguel Aguila stressed to Public Works Minister Roberto Dromi "the complete readiness in the name of the Spanish government" to complete the transferral process within the shortest possible time." [quotation mark as published]

In a meeting held in the Public Works Ministry, the future owners of AR expressed their "concern" about the delay in the handover, which still does not have "a fixed date."

Fluixa conceded the legitimacy of the consortium's grievances, but said "once the Entel [National Telecommunications Enterprise] issue is resolved, we intend to devote ourselves completely to the problem of AR."

He revealed that the government has given all the relevant documentation to the Bicameral Privatization Committee, the State Comptroller's Office so that the transferral contract, the statutes of the new company and the agreement for the equity sales can be studied.

Government officials disclosed last night that once 45 days have elapsed since the consortium's extension of the 130 million dollar cash down payment, which was made at the end of September, the Argentine state will no longer receive the interest on the deposit.

Until the government obtains the waiver from AR's creditor banks as stipulated in the sale conditions, it cannot withdraw the 130 million dollars, which is being held at the New York branch of the Banco Hispanoamericano.

Bids on Four Secondary Oilfields Opened

PY1710224090 Buenos Aires BUENOS AIRES HERALD in English 17 Oct 90 p 5

[Text] (NA-DYN)—In his last official act as Energy Under Secretary, Julio Cesar Araoz yesterday presided over the opening of bids for leases on four secondary oilfields. These were previously awarded to the Minar Saps company, which lost the adjudication upon failing to make the agreed payment.

The bids, which totalled 47.435 million dollars, consisted of two offers made by the Tecpetrol company, 5.415 million dollars for the "Los Bastos" oilfied and 3.636 million dollars for "Catriel Viejo," while the CAPSA [expansion unknown] company offered 26.159 million dollars for "Agua del Cajon" and Petroquimica Bahia Blanca bid 12.225 million dollars for "Centro Este."

Minar Saps was adjudicated the four oilfields on July 24 after bidding a total of 54.980 million dollars, but this was revoked when the company defaulted on the payment, losing its 600,000 dollar deposit in the process.

Although these latest offers fell below those of Minar Saps, business sources said they were "good," considering that Minar Saps had overbid.

Separately, Araoz declared yesterday that he would present his resignation officially in a meeting with Economy Minister Antonio Erman Gonzalez. He has said that he now wishes to involve himself in politics in Cordoba, with a view to seeking governorship of that province.

Bolivia

Minister Views Incorporation Into Rio Group

PY1710174090 Madrid EFE in Spanish 2354 GMT 16 Oct 90

[Text] La Paz, 16 Oct (EFE)—The Bolivian Government asserted today that the incorporation of four Latin American countries and Central American and Caribbean representatives into the Rio Group will allow this Latin American organization to become a "valid interlocutor" with the great world blocs.

Gustavo Fernandez, Bolivian minister of the Presidency, said that "the Rio Group has become Latin America's political forum and will serve as its interlocutor with the great world power blocs."

Bolivia and Paraguay were accepted as new members during the Rio Group "summit" held 10 and 11 October in Caracas. Chile and Ecuador also participated in a meeting of the group for the first time. The Rio Group, which was created in 1986 and includes Argentina, Brazil, Colombia, Mexico, Peru, Uruguay, and Venezuela, has also accepted a representative from Central America and one from the Caribbean.

Fernandez, who is also the spokesman for the Bolivian Government, said that the Rio Group also makes up for the minimal presence of various Latin American subregional organizations at the international level.

The minister asserted that "during the 1970's, efforts were focused on subregional integration, and this is when the Andean Group, the Central American Common Market, the River Plate Basin, and, later, the Amazon Pact prospered."

Fernandez added: "At this stage in Latin America's economic development, it seems to be necessary to form large economic blocs; furthermore, the subregional groups do not fulfill the economic and political need for an increased international presence."

According to the Bolivian minister, the main strength of the Rio Group following its expansion "will lie in promoting and encouraging all Latin American integration efforts." Fernandez added: "I believe that we are approaching a stage of agreement and compatibility in the various integration schemes and that the Rio Group will be, at a presidential level, the great axis for this promotion effort and the political expression of this effort."

Brazil

Embassy in Beirut Shelled, Heavy Damage Reported

PY1810015890 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 17 Oct 90 p 7

[Excerpt] Brasilia—The Brazilian Embassy in Beirut was shelled yesterday during an attack in Beirut. According to the Brazilian Foreign Ministry, the shelling caused a great deal of damage, but no one was hurt. Everyone who was at the site at the time was evacuated to an underground shelter. Brazilian Charge d'Affaires Alcyr Rabelo has requested that an engineer be sent to assess and repair the damage.

This is not the first time heavy artillery fire has hit the Brazilian Embassy in Beirut. This is because the property is between the government palace, the Defense Ministry, and the U.S. Embassy. In some cases, the embassy has had to be transferred to hotels on the coast. [passage omitted]

Candidate for State Governor Assassinated

PY1710154890 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 17 Oct 90

[Text] Senator Olavo Pires, PTB [Brazilian Labor Party] candidate for governor of Rondonia State, has been assassinated in Porto Velho. He was 54.

Olavo Pires was shot as he left his office in downtown Porto Velho. He was to stand for election in the runoff for the state governorship against PRN [National Reconstruction Party] candidate Valdir Raulp.

Olavo Pires was an industrialist in the field of heavy equipment and agricultural machinery. His term as senator was to end in 1995.

Court on Replacement of Candidate

PY1710225190 Rio de Janeiro Rede Globo Television in Portuguese 1600 GMT 17 Oct 90

[Text] The Superior Electoral Court (TSE) today announced in Brasilia who will take part in the runoff in Rondonia. The TSE chairman said that the candidate for vice governor on Olavo Pires' ticket cannot be a candidate for governor.

In accordance with Article 77 of the Constitution, if a candidate dies before the runoff, the candidate who was in third place becomes a candidate for the runoff. According to TSE Chairman Sydney Sanchez, there will be a runoff in Rondonia, and the candidates are as follows: Valdir Raulp of the National Reconstruction Party who received 79,893 votes; and Osvaldo Pianna who received 72,155 votes.

[Begin Sanchez recording] The killed candidate had not been elected. He was going to take part in the runoff. He could only be elected in the runoff. Therefore, the candidate for vice governor on his ticket has not been elected either. He would only be elected if the killed candidate had been elected. [end recording]

The Rondonia Public Security Secretariat is investigating the death of Senator Olavo Pires. The Justice Ministry is waiting for more information. The Federal Police will intervene only if it is proven that Pires' death was a political crime or if Rondonia Governor Jeronimo Santana requests help.

Rezek on Solution to Crisis, Diplomats in Iraq

PY1710144490 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 17 Oct 90

[Text] Foreign Minister Francisco Rezek believes the Persian Gulf crisis is moving toward a peaceful, negotiated solution. According to Minister Rezek, an armed conflict would be extremely harmful for the entire world. He also said that the Brazilian Government does not plan to withdraw its diplomats from Iraq unless a war breaks out.

Petrobras Gets Loan for Platform Off Singapore

PY1710130890 Brasilia Domestic Service in Portuguese 2200 GMT 16 Oct 90

[Text] Petrobras [Brazilian Petroleum Corporation] has obtained a new $239-million loan to build an oil platform in Singapore. This information was provided by Petrobras Industrial Director (Helio Falcao) at the Fifth Oil and Natural Gas Industrial Fair at the Rio de Janeiro Exhibition Center. The financing was obtained from the Japanese company (Nisho Iuhuai) in conjunction with other companies.

With the financing announced today, Petrobras will have obtained $509 million to construct two oil platforms in Singapore. Petrobras has already been granted another loan of $270 million with the Japanese firm for the construction of another platform. The term for repaying the loan is 10 years.

The two platforms to be constructed in the (Campo de Marlin) basin will go into operation in 1994, when this basin will be producing about 250,000 barrels daily, which is about 70 percent of the production needed by Petrobras to fulfill the goal of producing 1 million barrels of oil daily by 1995, as announced by Petrobras President Otavio da Mota Vega. Brazil's current oil production totals 650,000 barrels daily, and 60 percent of this production comes from the Campos basin off Rio de Janeiro.

Alternative for Debt Interest Payment Proposed

PY1710221790 Sao Paulo FOLHA DE SAO PAULO in Portuguese 15 Oct 90 p B 1

[Report by Alcides Ferreira]

[Excerpts] The Brazilian Government's foreign-debt negotiation proposal includes a request for a bridge loan with which to pay overdue interest of about $8 billion that has accrued since the 1989 moratorium. If the banks accept the plan, the government will repay the bridge loan in a special way.

The idea of a bridge loan is less radical than adding the overdue interest to the principal of the outstanding debt with the private banks, as was suggested by Economy Minister Zelia Cardoso de Mello. When she announced the Brazilian debt proposal to the creditor banks this past Wednesday on 10 October in Brasilia, Minister Zelia Cardoso de Mello confirmed that the payment of overdue interest would be discussed as part of the overall negotiation.

Regarding the payment of the bridge loan requested in the Brazilian proposal to the creditors, Brazil promises to make quick, large, and early reimbursements [prepagamentos] on the approximately $8 billion loan. If this bridge loan is granted, 20 percent of the overdue interest will be able to be paid in 1991. For this reason, the idea of a bridge loan should be more palatable to the banks than the idea of adding the overdue interest to the principal of the outstanding debt. The latter will only delay those payments. A similar idea [not further identified] was accepted in the agreement closed in 1988.

The size of the payments of overdue interest has not yet been determined, but 20 percent in 1991 was mentioned in the initial contacts in New York last week. This amount will depend on the negotiations with the Paris Club, the IMF, the World Bank, and the Inter-American Development Bank (IDB). Therefore, Brazil needs to know how much it will have to pay and how much it will receive from the aforementioned four institutions before it can determine the size of the early reimbursements [prepagamentos] on the bridge loan that has been requested from the creditor banks. Economic Policy Secretary Antonio Kandir has presented to the bankers the various payment options that will depend on the resources that will be available following the negotiations with the four institutions. [passage omitted]

Foreign-debt negotiator Jorio Dauster affirmed yesterday in Brasilia upon his return from New York that the menu of the foreign debt proposal presented to the creditor banks' steering committee can be changed through negotiations with the creditors. Any of those changes, however, will have to consider the capability of the economy. [passage omitted]

Sao Paulo Plant Closed for Polluting Air

PY1710182590 Rio de Janeiro Rede Globo Television in Portuguese 1600 GMT 17 Oct 90

[Text] A plant in the Santista flatland region of Sao Paulo was closed down today because it was polluting the air. The (Uniata) company, which manufactures and markets fertilizers, has been receiving complaints from the residents of the region since 1974.

The company has been releasing amounts of gas into the atmosphere that have exceeded the legal level.

According to Emilio Grande Galo, an expert of the CETESME [expansion unknown] regional office, the company had been given several deadlines by which to modernize its gas control equipment.

* Positions at London ICO Meeting Discussed

91SM0022A Sao Paulo GAZETA MERCANTIL in Portuguese 28 Sep 90 pp 1, 19

[Report by Celso Pinto]

[Text] London—Coffee producer countries agreed yesterday to endorse the Brazilian proposal to extend the International Coffee Agreement for another year, through September 1992, but without including any economic clauses. At any rate, it was agreed to mention the general desire to "accelerate" contacts during the coming year in search of an agreement that would contain quotas.

The consumer countries have already said that they would agree, "in principle" to what the producers may decide to propose. However, the representatives of two countries, West Germany and Japan, claim they have no authority to endorse an extension at this meeting of the International Coffee Organization (ICO), which ends today after two weeks of discussions.

Therefore, two alternative scenarios have emerged. If this problem can be overcome, the extension might even be approved today by the ICO Council. Otherwise, a special meeting of the council could be convened sometime in December to approve the decision that has just been outlined.

Whatever happens, it is very unlikely that the terms under which the extension was agreed upon after many hours of discussions among the producer countries will be changed. There were two schools of thought. On one side, Colombia and the African countries did not want to see an extension unless it were accompanied by a firm commitment to reach an agreement containing economic clauses by the time the current agreement expires, i.e., by September 1991.

However Brazil, backed by the Central American producers, was on the other side, and emphatic in its insistence that it did not want to commit itself specifically to negotiating an agreement with quotas. Brazil felt that the extension of the present status for another year would allow more time to, possibly, discuss a new agreement in the future.

Colombia, at any rate, had already stated at a meeting of producers on Wednesday that it did not advocate an end to the ICO, nor was it opposed to an extension of the agreement. This was the opposite of what was suggested during the speech the Colombians made 10 days ago. They only wanted to prevent the extension from being interpreted by the market as merely a means of gaining time. Guatemala finally suggested that the resolution extending the agreement could also mention the willingness to negotiate. Yesterday the conciliatory formula was submitted by Angola.

The Angolan solution is acceptable to Brazil, we were told by Valdemar Carneiro Leao, the Brazilian diplomat representing Brazil, who also serves as spokesman for the producers. There is talk of accelerating contacts aimed at potential future negotiations, but no dates were set, nor were specific commitments made to negotiate. The quota system, which permitted the agreement to intervene in the coffee markets, was suspended in July 1989 and Brazil said at this meeting that it sees no way it can be revived in the near future.

There are no objections to the extension from the consumer side. The U.S. representative had said on Wednesday in the Council meeting that if an extension were not agreed to now, there would be problems ahead. The ratification process in Congress takes time, so if the extension were left to the last minute, there would be a chance that the United States might have to withdraw temporarily from the ICO until the legislative process could be completed. This possibility, of course, is not in anyone's interests.

With Brazil, the world's largest producer, and the United States, the largest consumer, united in favor of a one-year extension there was heavy pressure on the other members to go along with them. Incidentally, at this ICO meeting the traditional alignment of alliances was reshuffled. Usually Brazil sides with the Africans, and differs with the Central and North Americans.

It is extremely unlikely that a decision of this type will have any significant repercussions on the market. In real life, with or without any mention of an acceleration in the contact process, a new agreement that would include quotas is still a long way off, and this became clear at this meeting. Neither Brazil nor the Central American countries are particularly interested in discussing the immediate reinstatement of quotas.

The reason, a Salvadoran delegate told this newspaper, is the same one put forth by Brazil: they are betting that prices will rise by themselves during the coming months. Unlike Brazil, the Central American countries have not built up stocks of coffee. However, they do have the coffee that is most in demand on the market, the best quality at the best price.

In general, the situation of the producers in the region is not that desperate, although production costs and conditions vary quite a bit from country to country. At current prices, says the Salvadoran delegate, coffee is still profitable. The expectation is that by mid-1991 the present consumer stocks will have fallen considerably, and prices will be much firmer. Some of these countries, such as Mexico, are probably not making much of an effort to discuss quotas right now; during the past year they have gained a relative market position that they could end up losing.

At any rate, the future depends on the next Brazilian harvest; if it is much larger than the current one—estimated by the market at about 22 million bags—the situation could become more complex. At any rate, the Central Americans, at a meeting of their delegations on Tuesday to which Brazil was invited as an observer, received some good news.

They questioned Brazil about its plans for the 17 million bags of coffee in inventory, which are a potential threat were they to be thrown onto the market. Assistant Secretary Joao Cunha of the Ministry of Economy answered that those stocks were not intended for export, but were considered as a "strategic reserve" which Brazil could use, basically, to supply the domestic market (which is estimated by the government at six to eight million bags and by the private sector at as much as 10 million bags).

This was the first time that a Brazilian official had said this officially. During the meeting, the Central Americans had asked that producers make some more optimistic statements so as to encourage the market a little bit. What Brazil said about its plans for the stocks—reports of which quickly leaked out—turned out to be good news.

Another issue that will have to be resolved is what to do with the Coffee Promotion Fund, which now contains about $4 million. Most producers want to close the account, believing it to be a useless expense at a time when there is no economic agreement in effect. Brazil and India said that the issue should be carefully looked at, but a consensus seems to be building to close or reduce it. Only producers contribute to the Fund.

Finally, it was agreed that a committee composed of two producers and two consumers would discuss the question of succession in the position of ICO executive secretary, an office held for the past 20 years by a Brazilian, Alexandre Beltrao. During the first few days of the meeting, the Colombians had been lobbying for support for the idea of replacing Beltrao with a Colombian, Nestor Osorio, that country's representative to the ICO, when the current term of office ends in March. During a speech, the Colombians harshly attacked the performance of the ICO, and thus of Beltrao.

This embryonic maneuver, however, seems already to be losing strength. It will probably be decided that Beltrao's term of office should be extended for as long as the ICO itself is extended. Life will not be any easier for the organization, which suffered funding cuts last year, especially if the Promotion Fund is terminated. At any rate, the ICO seems to be assured of at least two more years of existence.

* Record Fuel Consumption Recorded in August

91SM0022C Rio de Janeiro O GLOBO in Portuguese 18 Sep 90 p 23

[Text] In August, when Iraqi troops invaded Kuwait, setting world oil prices soaring, fuel consumption in Brazil was running at the rate of 1,306,400 barrels a day, the highest in the country's history and 4.9 percent above the same month last year. Despite government appeals to the public to economize in their use of fuels, 172,500 barrels of gasoline a day were consumed in August, 25.7 percent more than in August of last year and 9.9 percent over the previous month's level.

Petrobras executives attribute the high rate of consumption to the lag in the prices of derivative products, even though prices were raised three times during the month, and to possible speculation by some industrial sectors that are said to be stocking up on products out of fear that the Gulf crisis may worsen. Because of the latest increase in oil prices on the world market, which yesterday reached $34.50 (2,587.5 cruzeiros at the commercial exchange rate) a barrel, Petrobras President Luiz Octavio da Motta Veiga ordered a report on fuel prices—which are lagging by more than 30 percent—to be prepared and sent to the Ministry of Economy.

The company is already paying an average of $31.20 (2,340 cruzeiros) per barrel of petroleum, compared with $27.40 (2,055 cruzeiros) in August, which means that import spending this year is now expected to exceed $5 billion (375 billion cruzeiros), in contrast to the $3 billion (225 billion cruzeiros) projected at the start of the year. The consumption of hydrated alcohol, in turn, was 180,600 barrels a day, a decline of 0.8 percent in relation to the same month last year.

* Petrobras Profits Up in August

91SM0022B Sao Paulo O ESTADO DE SAO PAULO (Economic Section) in Portuguese 29 Sep 90 p 23

[Text] Rio—Despite the increase in the price of a barrel of petroleum on the world market, Petrobras posted a net profit in August—the month when the war between Iraq and Kuwait started—of $155 million, equivalent to 12.3 billion cruzeiros. Company management attributed the good results for August—during the two previous months its balance sheet had shown a loss—to a 3.89 percent devaluation of the cruzeiro in relation to the dollar. From January to August, Petrobras had a net profit of $655 million (or 46.9 billion cruzeiros), the bulk of which resulted from the state holding company's own business activities. Meanwhile, its seven subsidiaries had combined losses of $95 million (6.77 billion cruzeiros). Gross sales during the period were $10.39 billion (equivalent to 745.1 billion cruzeiros), while net sales were $8.4 billion (602.68 billion cruzeiros).

Of the subsidiaries, only Petroquisa, Petrobras Distribuidora (BR), Braspetro, and Renave operated in the black. During the first eight months of this year, Petroquisa had profits of $53 million, equivalent to 3.78 billion cruzeiros; BR $159 million (11.4 billion cruzeiros); Braspetro $5 million (357 million cruzeiros); and Renave $1 million (65 million cruzeiros). Petrofertil, the subsidiary in the fertilizer sector, had losses of $85 million (14.9 billion cruzeiros). Petromisa and Interbras, subsidiaries that are now extinct, recorded combined losses of $105 million (7.48 billion cruzeiros).

Petrobras, however, is experiencing financial problems buying oil on the world market. Since the price has practically doubled since the beginning of August, management is unable to obtain large enough loans from international banks to finance its imports of 600,000 barrels a day. The bulk of the funds the company uses to buy petroleum come from loans obtained under short-term lines of credit, which as of August were estimated at $1.976 billion (163.020 billion cruzeiros). In order to meet the additional costs of importing oil, management would also have to double its foreign loans. This was one of the reasons that led Petrobras President Luiz Octavio da Motta Veiga to travel, with a Brazilian committee, to the United States to try to convince creditor banks not only to increase their lines of credit, but also to cut the interest rates they charge.

While in the United States, Minister of Economy Zelia Cardoso de Mello said that Brazil will take a strictly realistic position as regards the Gulf crisis: "We will not try to fool the public by saying we are immune to the problem, but we need to analyze its effects so that we can incorporate them into our projections of the current level of fuel prices," she said.

* Economists Revise Industrial Projections Upward

91SM0022D Sao Paulo O ESTADO DE SAO PAULO (Economic Section) in Portuguese 28 Sep 90 p 4

[Report by Rolf Kuntz]

[Text] Government and private sector economists are revising upward their forecasts of 1990 industrial activity. The real recession will not come until the first quarter of 1991, if the economic team sticks to its restrictive monetary and fiscal policy, says Jose Claudio Ferreira da Silva, coordinator of the Trend Monitoring Group (GAC) at the Institute for Applied Socioeconomic Research (Ipea).

Although they arrived at different figures, the new evaluations from the Ipea group and from the National Confederation of Industries (CNI) point in the same direction. In December 1990, industrial production will show a cumulative decline of 4.9 percent on the basis of the 12 previous months, according to the new GAC calculations. A month ago, the estimate was for a reduction of 8.1 percent. The new CNI bulletin, dated yesterday morning, also contains less pessimistic numbers than appeared in its August issue. Now, the projected contraction in industrial production ranges between 6.5 and 8.5 percent. The previous calculations had put it at eight to 10 percent.

A Smaller Decline

Industrial Production in 1990 (new estimate)

Cumulative 12-Month Growth Rate

Sectors and Use Categories	Observed		Predicted	
	April 1990	July 1990	September 1990	December 1990
General Industry	4.0	-0.8	-3.0	-4.9
Mining	8.1	6.3	4.6	2.0
Manufacturing	3.8	-1.1	-3.3	-5.2
Capital Goods	4.0	-2.9	-9.8	-16.8
Intermediate Goods	4.0	-0.9	-1.2	-1.1
Consumer Goods	3.7	0.0	-2.2	-5.4
Durables	0.6	-4.3	-8.2	-10.0
Non-durables	4.40	1.1	-0.7	-4.3

Prepared by IPEA-Rio

Source: IBGE [Brazilian Institute of Geography and Statistics]

Not only production, but employment and wholesale and retail sales have withstood the squeeze introduced in May-June. Prices have also continued to rise at an accelerated pace. According to CNI economists, the anti-inflationary policy has served mainly to prevent a more rapid escalation of prices. Opening up foreign trade, they add, may discourage abusive price increases, but its immediate effects are likely to be limited. According to those economists, achieving a more noticeable drop in the inflation rate over the medium-term will require maintaining both the policy of tight, expensive money and the effort to control public accounts. It will also depend on "some mechanism of social understanding." Actually, the CNI document suggests that something more severe than the mere continuance of the tight money strategy will be needed: in order to defeat inflation, it will be necessary to "bring about a bigger decrease in the level of business activity," by "taking the restrictive monetary and fiscal policies even further." In everyday Portuguese this means: less money available and at higher cost, and a larger surplus in the public accounts. The goal of a 1990 operating surplus of 0.47 percent of the GDP, which was included in the letter of intent to the IMF, is characterized as feasible.

In addition, the Ipea team expresses little hope of seeing inflation rate cut more dramatically before the end of this year. "Gains may be made against inflation, but they will be relatively small ones," says economist Jose Claudio Ferreira da Silva. According to the GAC coordinator, the policy is heading in the right direction, but much tighter pressure will have to be exerted in order to compensate, by the end of the year, for the expansionist trend normally seen in the economy during these months. During the first quarter, he adds, the level of activity may decline significantly. When that happens, businessmen will indeed have trouble passing on any increases in prices and wages; for now, there has been room for them to do so. Furthermore, a still-elevated inflation rate creates a climate favorable to the so-called informal indexation. To really cut back on that kind of

indexation, the GAC coordinator says, inflation would have to be brought back to two or three percent a month.

According to both GAC and CNI economists, an "understanding" between government, business, and labor may facilitate and make less painful the task of controlling the rise in prices, especially if the petroleum crisis were to give a very strong impetus to inflation. The more effective the understanding, the less severe will be the recession necessary to contain prices.

* Soviets Express Interest in Purchasing Computers

91SM0022E Rio de Janeiro O GLOBO in Portuguese 28 Sep 90 p 33

[Article by Milton F. Da Rocha Filho]

[Text] Sao Paulo—The Soviets want to modernize their financial system by acquiring automated banking equipment, and have already made three trips to Brazil. They have shown an interest in the equipment used by Bradesco, which are manufactured by Digilab and Sid Informatica (which holds shares in Bradesco but is controlled by the Machline Group). The source of this report was a Bradesco vice president, Dorival Bianchi.

Bianchi also said that a computer technology fair is being held in Moscow in October, and that Digilab and other Brazilian companies, knowing of the Soviet interest, are planning to participate and exhibit their leading products. Digilab has already exported electronic readers to Bolivia and Venezuela.

"We were not producing for export, but for the internal market, primarily to meet our own needs. Now we are seeing Soviet interest in our products, which are modern," Bianchi stated.

The Soviets do not use checks, but now, with the capitalization of their economy, will have to begin to adopt that system, along with electronic cards. To do that they will need automatic equipment. On one of the trips that the Soviets made to Brazil, they visited several of Bradesco's automated branches, including the most modern one at Pan American Plaza in the neighborhood of Alto de Pinheiros, western zone of the Sao Paulo State capital.

"For now, all they have done is show interest. Now we are waiting for this interest to be transformed into business deals. The technology developed by Digilab, Sid Informatica, or Scopus (which is controlled by Digilab) is extremely modern," Bianchi explained.

Bradesco is investing about $200 million a year (about 16.6 billion cruzeiros at the commercial exchange rate) in modernizing its branches. This entails the installation of automatic systems and even uses satellite data transmission, which makes it possible to interconnect almost all of the bank's branches in Brazil.

* More on Banespa Opening in USSR

91SM0022F Sao Paulo O ESTADO DE SAO PAULO (Economic Section) in Portuguese 19 Sep 90 p 3

[Report by correspondent Noenio Spinola]

[Text] Moscow—The Bank of the State of Sao Paulo (Banespa) formally opened its Soviet office yesterday, excited by the prospect of business which, according to its chairman, Wadico Bucchi, will exceed $1 billion. Bucchi is talking about projects that have already been under discussion for some time at the Rio Doce Valley Company (hydrometallurgy, ores, and gold mining technology), Odebrecht (civilian and industrial construction), and tens of other companies.

Bucchi's scenario is the same one which Robert Mosbacher, the U.S. Secretary of Commerce, was working on; it could result in investments in the petroleum industry. The president of Banespa met yesterday with the president of the Soviet Central Bank (Gosbank) and other local officials, but did not mention any contacts with the Russian Federation, which plans to implement an independent economic plan on 1 October, based on the privatization of companies and the decentralization of the banking system.

The new Banespa headquarters were blessed by a priest, and the bank's business plans "intend to depart from the passive course of open credit," said Bucchi. He wants to spend more time assisting in project development than on routine transactions involving the discounting of letters of credit. Banespa directors who came to Moscow for the inauguration said they are not worried about the changes that may occur with next month's economic package.

A meeting of the Brazil-USSR Intergovernmental Commission was held this week, and the director of the Europe Department of Itamaraty, Francisco Junqueira, said that he hopes to receive a high-level Soviet delegation in November in Brasilia, to follow up on studies and projects in the fields of space (climate control), mining, hydroelectric power, and others. Brazil is expected to assign a military attache with the rank of colonel to the USSR, but the decision requires an exchange of notes that has not yet been scheduled, apparently because of assignment problems on the Soviet side.

* Submarine Control System, Mine Developed

90SM0271A Sao Paulo O ESTADO DE SAO PAULO in Portuguese 15 Sep 90 p 12

[Article by Tania Malheiros: "Navy Develops Onboard Computer"]

[Text] Rio—The Institute of Naval Research (IPqM) on Ilha do Governador has just completed manufacture of the first entirely Brazilian tactical control system (Siconta) capable of obtaining every possible piece of intelligence and of making calculations by computer that relate to sea and air navigation. Installation of the

Siconta system on the aircraft carrier Minas Gerais will begin in January, according to Rear Admiral Mario Jorge Ferreira Braga, director of the IPqM. He says the system represents one of the greatest advances in the area of informatics in Brazil. Only countries such as the United States, France, Great Britain, and probably the Soviet Union have similar systems.

Regarded as the "brain" of a ship, submarine, aircraft, or helicopter, Siconta has been in the process of development for three years by a team of 200 technical experts of the IPqM and private companies. Braga explained that Siconta consists basically of a central system coupled to a Brazilian Digirede computer that is customarily used in automated banking systems. "Digirede," he said, "underwent several modifications in order to perform these new functions."

The rear admiral disclosed that Siconta is capable of making—in a matter of seconds—calculations to determine direction, velocity, altitude, interception, selection and firing of weapons, and many other calculations. There are devices that make possible the exchange of information between two ships that are hundreds of kilometers distant from each other. The aircraft carrier Minas Gerais has a system of this type that was imported from Great Britain; it will be completely replaced by the Siconta system. "The ships of the Navy that are under construction will also receive the Siconta system," the IPqM director said.

Installation of Siconta on the Minas Gerais will require at least eight months, in order to integrate this new and highly sophisticated technology. The professionals who will work with this equipment will have to be well trained in order to accomplish the entire operation. The Minas Gerais will also have Chaff rockets—developed by the IPqM—which are capable of diverting enemy missiles that are detected by the Siconta system.

Brazil Already Has Underwater Mine

The Institute of Naval Research (IPqM) is not giving its attention solely to the modernization of the fleet's electronic equipment. Two projects were completed recently involving development of a mine as well as a defensive missile that fires metal wires and confuses the radar of enemy missiles that are detected in flight. The mine developed by the IPqM is of the type called "depth and contact" that explodes upon being actuated by electronic control.

Rear Admiral Mario Jorge Ferreira Braga, the IPqM director, reports that tests of the mine were carried out on the Rio de Janeiro coast, but without actuating the explosion mechanism. "Development of the mine has also helped to perfect various underwater engineering techniques that are important for civilian use, such as research concerning the location and relative position of objects on the sea bottom," the admiral said.

According to Navy technical experts, the history of the war between Argentina and Great Britain in the Malvinas Islands could have been different if that South American country had possessed mines of the type created by the Brazilian Navy. These experts have declared that Brazil does not intend to place these mines anywhere on its coast, but that "it is necessary to carry out the project so that the equipment will be available for use in an emergency." The export of these devices, however, is not being considered—at least for the present—so as not to aggravate the diplomatic problems in connection with the crisis in the Persian Gulf.

* Kandir Projects Lower October Inflation

90SM0271B Sao Paulo O ESTADO DE SAO PAULO (Economic Section) in Portuguese 16 Sep 90 p 4

[Article by Jocimar Nastari: "Kandir Forecasts Lower Inflation for October"]

[Text] Brasilia—A moderate optimism with respect to the behavior of the economy in October has begun to pervade the economic area of the government. Antonio Kandir, special secretary for economic policy, believes for example that there is a definite possibility of a return to single-digit inflation next month. Kandir believes that the behavior of the economy this month allows for a return of optimism, in contrast to the gloomy initial forecast that gave rise to the expression "Black September."

"Although we did in fact have a black August, we are now increasingly able to reverse the pessimistic expectations," Kandir comments. He explains that last month the inflation heated up, because of two unforeseeable factors: the Middle East crisis, which led to an increase of almost 30 percent in fuel prices in less than 30 days, and the sharp rise in the prices on fruits and vegetables because of the intense cold. He says that the combination of these events reactivated inflationary expectations at a moment when the business community was projecting decreasing inflation rates for the rest of the year.

Kandir emphasizes that this month of September the picture is different. World prices for oil show signs of stabilizing; the record cold is now over; and other uncertainties that hovered over the month are beginning to dissipate, especially the threat of a wave of strikes in important sectors. He suggests that the policy of austerity in fiscal and monetary policy must have something to do with this picture that is beginning to emerge.

Exchange Rate

In Kandir's view, two other factors helping to dispel the pessimism are the virtual conclusion of an agreement with the International Monetary Fund (IMF) and the initiation—in October—of negotiations with the private creditor banks and the Paris Club concerning the foreign debt.

The decline in the value of the dollar has not altered Kandir's optimism. The secretary—who is adviser to

Minister of the Economy Zelia Cardoso de Mello—says the situation has already been eased and will probably be reversed in October and November, when the measures embodying import incentives will, he believes, be yielding the anticipated results. He explains that the increase in imports will increase the demand for dollars.

The secretary believes that the monetary austerity enforced in September is producing results. The withdrawal of 300 billion cruzeiros from circulation is already weakening the process whereby wages have been informally indexed—a phenomenon that also played a role in the resumption of inflation in August.

The reduction in the amount of money in circulation, and the increase in interest rates, are also having a direct impact on the behavior of prices. Kandir points to the recent wave of special sales in department stores and to the "price war" among the Sao Paulo supermarkets as concrete results of the monetary policy.

Social Pact

The secretary comments that the effects of the intensification of the fiscal austerity will also begin to be felt in October, when the special program of cost-cutting in the state enterprises is initiated. The program was authorized in a decree handed down by President Collor on Wednesday; it will oblige the public enterprises to cut 25 percent—in real terms—of their operating expenses in the last quarter of the year, and especially wages. The amount saved will be between 140 billion and 170 billion cruzeiros. The austerity in the area of direct administration will also continue. In September, implementation of the budget is expected to produce a surplus of 16 billion cruzeiros.

The debate over the proposal for a social pact is another factor helping to reverse the expectation of inflation, Kandir said. "A pact among the government, workers, and the business community should produce results beginning with the new year," he declared. "By then we shall have the situation under absolute control," he added. He believes the pact should be viewed as an instrument to modernize the economy and improve the distribution of wealth over the medium term.

* Adjustments to Collor Plan Seen Necessary

90SM0271C Sao Paulo O ESTADO DE SAO PAULO (Economic Section) in Portuguese 16 Sep 90 p 1

[Article by Maria Aparecida Damasco: "Economists Anticipate Adjustments to Plan"; first paragraph is O ESTADO introduction]

[Text] After six months the Collor Plan is showing signs of wear and tear, and experts are asking for an unorthodox solution.

Six months after dropping like a bomb on the Brazilian economy, the Collor Plan is showing signs of wear and tear. The economy has escaped the dangerous road to hyperinflation, but stabilization is not yet assured. Despite all the monetary and fiscal austerity imposed by the government, inflation is again headed for more than 10 percent per month—and that is definitely not a point of equilibrium. Experience shows that it does not take long to go from 10 percent on to 20 percent and 30 percent or more. There is almost a consensus among the economists that the Collor Plan now must pass through a phase of adjustments. Some of them go so far as to advocate a Collor Plan II, which would include a freeze on prices and wages.

Until now, adjustments were sufficient to get the program back on track. Initially, with the freeze on loans at the Central Bank, the volume of money in circulation was limited to $33.2 billion. However, the total paralysis of economic activity that occurred immediately following promulgation of these measures frightened the government. Fearing a depression, the Central Bank tried to pump money back into the market by allowing a number of exceptions for the conversion of cruzados. The remedy proved to be excessive: as of the end of April, almost $44 billion was already in the market. After a course correction, the Central Bank imposed strict controls on expansion of the money supply.

Everything followed the same pattern in connection with wages. Preestablishment of the wage adjustment indices—one of the basic points in the original plan—was abandoned immediately upon realization that this feature complicated the operation of the plan and had the effect of regenerating inflation. It was replaced by free negotiation, which in the opinion of the government is the ideal instrument for controlling wages and—indirectly—prices.

Booby Trap

"From the orthodox standpoint, the plan is going well," opines Roberto Macedo, president of the Association of Economists of the State of Sao Paulo. Macedo is referring explicitly to the reestablishment of monetary control and to the fiscal adjustments. "We must now disarm the foreign exchange booby trap," he says. The combination of a free exchange rate and monetary austerity has not worked: there is no incentive to import, there is no need to buy dollars to remit to creditors, and the quotations on the dollar accordingly remain stationary. The bad feature of this artificial stability of the dollar is that it acts as a disincentive to exportation.

The economist Paulo Guedes sees the need for intensifying the fiscal adjustments. He believes that the Treasury's surpluses were achieved basically by freezing the salaries of government employees, and that henceforth it will be necessary to undertake a structural adjustment involving acceleration of the privatization program will be speeded up.

No one doubts the need to continue the economic and financial austerity program. Few are convinced, however, that this will be sufficient to contain the new rise in inflation. The exchange adjustment, the agricultural shock, the oil crisis, the end of the year—everything is

conspiring against price stability. "Inflation will not moderate much more than it has already, even with an orthodox conservative policy," predicts Alberto Tamer Filho of the Lastro economic advisory organization.

A new phase in the stabilization program should therefore be characterized by creative solutions. It would be time to resort to a little unorthodoxy, following a massive dose of orthodoxy. "We are going to have a new Collor Plan," predicts former Treasury Minister Luiz Carlos Bresser Pereira. In his opinion the changes—basically the freezing of prices and wages—would come as part of a comprehensive social compact. The rumors concerning some type of freeze on prices and wages, or preestablishment of the criteria for their adjustment, are being fed by the statements of Minister of the Economy Zelia Cardoso de Mello herself. She vows that the government will do nothing that is contrary to the principles of a market economy. Whenever she can, however, she criticizes the public's "inflationary memory." For those who are knowledgeable, the following words will suffice: inertia, inflationary memory, automatic indexation, and other similar expressions that have always been used to justify shock treatments involving price and wage freezes. Macedo insists that the plan must be calibrated by means of negotiation. He does not want to hear any talk of a new "package," however. "New traumas must be avoided," he explains. Instead of freezes, he would recommend that businessmen and workers exercise "moderation" in connection with demands for readjustment of prices and wages.

Chile

Pinochet Departs Santiago for Inspection Tour

PY1710144290 Santiago Domestic Service in Spanish 1000 GMT 17 Oct 90

[Excerpt] Army Commander General Augusto Pinochet will today begin a tour of northern Chile to inspect Army units in the area. This information was reported by Pinochet himself after a meeting with Defense Minister Patricio Rojas at the Defense Ministry. Pinochet said he will probably return to Santiago on 22 October.

Gen. Pinochet said that he discussed the Army budget during his meeting with Minister Rojas.

Sources close to the Army said that Gen. Pinochet will go to Antofagasta, where the 1st Army Division is based, and will probably visit 6th Division units based in Iquique and Arica. These units fall under the jurisdiction of the recently created 1st Army Corps. [passage omitted]

Aylwin Greets Arriving Spanish King, Queen

PY1710174890

[Editorial Report] Santiago Television Nacional de Chile Network in Spanish at 1625 GMT on 17 October broadcasts a live relay of the arrival of King Juan Carlos and Queen Sophia of Spain at the Arturo Merino Airport in Santiago, Chile, for a five-day official visit.

At 1631 GMT Chilean President Patricio Aylwin and his wife welcome the royal couple at the foot of the aircraft that transported them from Spain, with a technical stopover in Brazil.

Protocol procedures are carried out, and Aylwin makes a brief welcoming speech at a podium set up for the event. King Juan Carlos also speaks briefly to express his thanks for the welcoming ceremony. Aylwin and his wife then see the Spanish royal couple off for downtown Santiago. The live relay ends at 1649 GMT.

U.S. 'Favorable' Decision on Fruit Noted

PY1710143290 Santiago Radio Cooperativa Network in Spanish 2200 GMT 16 Oct 90

[Excerpt] Foreign Minister Enrique Silva Cimma has just announced that the U.S. Senate has made an important decision on Chile and marketing orders [two preceding words in English] that will affect several Chilean fruits. The foreign minister referred to this subject in an exclusive interview with this radio station. As is known, over the past few weeks the U.S. Senate has been considering stricter quality controls for Chilean fruit imports, which would put Chilean fruit imports at a disadvantage in comparison with others entering the U.S. market.

This afternoon the foreign minister gave us the scoop on the U.S. Senate's change of attitude. The U.S. Senate has now decided to follow GATT standards in making a decision on this topic. The foreign minister said:

[Begin Silva Cimma recording] The joint U.S. congressional committee—a committee made up of members of the Senate and House of Representatives—passed a resolution, which precedes a Senate decision, on the new marketing orders it plans to impose on kiwi fruit, nectarines, and other fruits. This committee decided to ask the department headed by [U.S. Trade Representative] Carla Hills to certify if such marketing orders were in keeping with GATT standards. In other words, this is a very favorable decision for Chile because the initial U.S. Senate decision will no longer be applied instantly; it will be subject to a determination which must first decide whether such a decision contradicts GATT agreements. [end recording]

The foreign minister said that this news is very positive. [passage omitted]

Minister Talks About Impact of Oil Prices

PY1210151090 Santiago Domestic Service in Spanish 2200 GMT 11 Oct 90

[Text] Mines Minister Juan Hamilton has announced that a bill creating an oil price stabilization fund will be introduced in Congress next week. He explained that the purpose of this fund is to compensate the ENAP

[National Petroleum Enterprise] for losses it suffered in absorbing the difference between oil prices on the external and internal markets, as well as to provide a cushion for rising oil prices on the international market and to establish a variable tax so the fuel prices can remain constant.

On the other hand, Minister Hamilton emphasized that the price of $34 per barrel of oil that the country uses as a reference for the internal price of crude oil is still the lowest among the countries that do not produce oil and even lower than some oil-producing countries. He said the country should understand that fuel price increases are not dictated by internal policy.

[Begin Hamilton recording] We started with a price of $17, raised it to $25, and we are now at $34; this continues to be the lowest price among all of the countries that do not produce oil, and even lower than some oil-producing countries. Unfortunately, this affects our economy because it is too dependent. People should understand that this is not a problem created by the government, nor is it caused by government policy. Very narrow-mindedly and very unpatriotically, some have seized the occasion to blame it on government policy. I believe that these rumors are damaging our economy, more so because these rumors were started by people who held high government posts. [end recording]

The mines minister added that to diminish Chile's dependency on oil and prevent this type of crisis, the exploitation of alternative energy sources, such as coal and hydroelectricity, should be encouraged. In this regard, he recalled that in the next few days, a Chilean-Argentine group will begin construction of a gas pipeline.

Spain Reportedly To Launch Satellite Program

PY1810000990 Madrid EFE in Spanish 0958 GMT 17 Oct 90

[Text] Santiago de Chile, 17 Oct (EFE)—It was reported here today that Spain will launch a satellite program in 1992. The program is known as Hispasat and it will seek to improve Spain's communication system and promote cultural and scientific exchange among Iberoamerican nations through two television channels.

The program was submitted to the Eighth Iberoamerican Conference of National Committees for the Fifth Centennial [VIII Conferencia Iberoamericana de Comisiones Nacionales del V Centenario] which ended in Santiago today. During the three-day meeting the committees debated several programs to mark the 500th anniversary of the Spanish arrival in America.

Carlos Wert, director of the education and new technologies division of the Fifth Centennial; and Jose Diaz Arguelles, the Hispasat program coordinator, explained in a news conference the goals of the ambitious project that has been approved by the Spanish Government.

Wert said: "We expect to open television channels via satellites to promote a cultural, educational, and scientific exchange among Latin American countries and Spain." He also stressed the integrationist aspect of the project.

Arguelles said that every country in the region has expressed great interest in the program and said that he expects that a definite and clear project will be ready within one year.

Spain has begun constructing the two satellites which make up the Hispasat project. They will provide the country with two television channels, internal channels for specialized data networks, dedicated lines, facsimile networks, electronic couriers, and video conference capabilities, among others.

Arguelles said that the decision to establish television channels at the service of Latin American countries seeks to create a distant university via television that will support programs sponsored by regional high-level training institutes. It also seeks to promote an active exchange of information.

He said that each country will be able to broadcast its weekly program at a determined hour.

Arguelles pointed out that Chile is the only country in which a Hispasat national commission is already active, although a commission has just been created in Cuba.

Daniel Ramirez, the Chilean commission coordinator, said that Chile joined this initiative three months ago with much enthusiasm because it regards it as "a very important and valuable offer."

Ramirez stressed: "Development can not be achieved without communication." He said that Chile wants to joint the private sector with the national program.

He said that a satellite can pass a message to millions of people and that there are matters that affect the whole continent, like pollution and ecology, which can be broadcast as individual programs.

It has been reported that the Hispasat satellites will be launched in 1992 aboard Ariane 4 rockets.

Diplomatic Relations With Namibia Established

PY1710192990 Madrid EFE in Spanish 2211 GMT 16 Oct 90

[Text] United Nations, 16 Oct (EFE)—According to a joint communique issued by Chilean Ambassador Juan Somavia and Namibian Foreign Secretary Andreas Guiber, Chile and Namibia have established diplomatic relations as of today.

Somavia stated that the relationship with Namibia is especially meaningful to Chile because we participated in the UN council on this African country and we did our best in favor of that country's independence and sovereignty.

Moreover, he added, the Chilean Government is especially interested in strengthening its ties with African countries.

Ecuador

Justice Administration Paralyzed for 12th Day

PA1810022090 Paris AFP in Spanish 1918 GMT 15 Oct 90

[Text] Quito, 15 Oct (AFP)—The administration of justice was paralyzed for a 12th consecutive day today in Ecuador, while expectations grew concerning the extraordinary congressional sessions to designate new magistrates for the Judicial Branch.

The employees of the Judicial Branch announced their decision not to lift the strike until the parliament reverses itself and repeals the resolution issued 12 days ago on the appointment of nine magistrates to the Supreme Court of Justice (CSJ).

The CSJ magistrates have been replaced on three other occasions since democracy was reestablished in 1979 when the parliament achieved an opposition majority, as happened last 10 August. This replacement has been rejected by the magistrates and by Social Democratic President Rodrigo Borja, who contend that it is a violation of the law.

As also happened in 1987, when then president Leon Febres Cordero ordered a military encirclement that included tanks around the CSJ—although on this occasion only armored riot police units are guarding the building—another junta of notables has been formed to serve as intermediaries in what is labeled here a "power struggle."

Borja, who two months ago ruled with a comfortable parliamentary majority, reiterated last weekend that he will not uphold any congressional resolutions he deems unconstitutional.

Concentration of Popular Forces leader Averroes Bucaram, president of the parliament, on Monday disagreed that Borja had the right to interpret the Constitution and contended that the president himself is provoking a conflict in an effort to divert public opinion away from his "policy of starvation."

The conflict that could arise in the special congressional sessions stems essentially from the fact that the agenda includes the renewal of the CSJ, which is added to the possibility of four deputies being dismissed, which would ensure a more belligerent opposition majority.

Government Minister Cesar Verduga on 15 October attributed the opposition offensive to a conference of several deputies with the surname of Bucaram and opposition Deputy Jaime Nebot. Nebot has been mentioned as a presidential hopeful for the right-centrist Social Christian Party (PSC), the number one rival of the leftist Democratic Left (Social Democracy).

Sources close to the government have recommended over the past few days that President Borja convene a plebiscite to dissolve the congress, but the president dismissed that possibility "for the time being."

Opposition Deputy Franklin Verduga challenged Borja to convene the plebiscite and warned that he would be risking an unfavorable vote by the people. He also threatened to "remove by whip" the employees of the Judicial Branch who support the current magistrates, once the parliament appoints successors.

For jurists such as Rafael Arizaga Vega, former president of the Supreme Electoral Tribunal, the conflict is the result of flaws that exist in a defective constitution drafted under the influence of the military dictatorship that ruled from 1972 to 1979.

Since then, the Executive Branch and the Congress have engaged in successive confrontations, both when left-centrist and right- centrist policies prevailed in Ecuador.

For Arizaga, the only permanent solution to the constant power struggle is profound constitutional reform that clearly defines the powers of each of the state branches.

Peru

Fujimori on Oligopolies Joining New Economy

PY1710204390 Lima Television Peruana in Spanish 1100 GMT 17 Oct 90

[Text] During the message that he delivered at the ceremony to celebrate the UN International Food Day, President Fujimori urged Peruvian monopolies and oligopolies to join the market economy and to accept the government as a regulating body. He also said that the government will not give up its efforts to guarantee food for all Peruvians. He announced a series of measures that include; the stimulation of small industries, the raising of native animals, and the protection of the agricultural sector.

[Begin Fujimori recording] Like many other Third World countries, the Peruvian food policy has not been planned or [word indistinct]. We have firmly decided to put an end to that. We know that there are many vicious circles and that we end them if we will solve this problem. If we speak of increasing food production through increased productivity, through technology or modern and sophisticated methods of preserving food, without mentioning the monopolies and oligopolies that are comfortably installed in our economies—especially in the food-producing sector—we are simply engaging in melodic rhetoric.

There are several such groups: the flour, dairy products, edible oils, and (?meat) sectors are some examples of

sectors where serious distortion of prices occur as a result of these oligopolies and of openly mercantilist behavior.

In the opinion of this administration, the government must promote healthy competitiveness. We do not want to replace the activities of the private sector, which we deem indispensable for the economic development of the country, but we want to establish fair and reasonable limits in keeping with national interests. ENCI [Empresa Nacional de Comercializacion de Insumos—National Staples Marketing Company] is a good example of how the government has failed to act effectively as a regulating body in the supply of basic staples in accordance with a price policy that defends the interests of the consumers while, at the same time, developing our agricultural sector.

Through the small and medium-sized companies, my administration will promote real alternatives [words indistinct]. We must reorganize the [words indistinct]. We must establish, once and for all, a market policy in Peru and eradicate all the vices that [words indistinct]. This is why we will stimulate the creation of small industrial plants and the raising of native animals. We will defend the [word indistinct] agriculture, and assign resources to be used in the construction of roads. Agriculture and the agroindustry will be developed to ensure our rural development. [end recording]

President Fujimori then said that, against certain foreign interests, his administration will prevent the dismantling of PescaPeru [State Fish Meal and Fish Oil Production Agency]. Only the state-owned companies that do not have a social function or that are a burden for the government will be dismantled, he said.

The agriculture and fisheries ministers have commented on the most immediate projects to be implemented by their ministries, seeking to solve the famine problem.

[Begin Fujimori recording] I also want to announce what we believe to be a matter of national interest to the fishing industry. We are not fooled by some nationalistic arguments that recall the consignees of the guano in the 19th century. When we talk about national interest, we refer to whatever is right for Peruvian consumers and not for the middlemen who want to [words indistinct] and allow other interests remove our wealth. The government will sign the most favorable agreements so that the people can eat and the economy can improve. We must prevent the existence of new consignees. I believe that it will be understood that this theme is far from [word indistinct], and that we are not [word indistinct].

This is why we will prevent foreign interests from making [words indistinct] disappear. These will only disappear if the state-owned companies have no social functions and are a burden to the government. It does not matter if our efforts in defending the national interests is called stubbornness or lack of political skill. This really does not matter. The people are no longer seduced by political skills and [words indistinct]; they want to see the hope that Peru will change. This is why, on such a significant day as the UN International Food Day, I reassert that I will not [words indistinct] to try to ensure that all Peruvians have food. Thank you. [end recording]

Minister Blames Monopolies for Price Increases

PY1710214790 Lima Television Peruana in Spanish 1800 GMT 17 Oct 90

[Excerpts] Industry Minister Guido Pennano has reported that the Cabinet will hold a special session on 20 October to assess the negative activities of four monopolies that are involved in deals that go against the economy of the country. Pennano thus commented on the harsh criticism made by the president against these powerful groups.

[Begin recording] [Pennano] Much has been said in the past few days about a new outburst of inflation. You can observe that foodstuffs have experienced major price increases. The monopolies are responsible for these increases, not the foodstuff manufacturers or the peasants. We have to overcome this situation which only benefits the monopolies and harms the people and the government program.

[Reporter] Is your sector taking measures against this situation?

[Pennano] We will launch a campaign in which we will report the real prices of products to the people. You know that nobody has a clear idea of what fair prices are. [passage omitted]

We are working to create a defense mechanism for the consumer. We will discuss the matter of monopolies during a special Cabinet meeting next Saturday [20 October]. [end recording]

Venezuela

Deputy Comments on Illegal Cemetery Near Border

PA1710231190 Madrid EFE in Spanish 0300 GMT 17 Oct 90

[Text] Caracas, 16 Oct (EFE)—Deputy Walter Marquez denounced in Caracas today that at least 600 unidentified bodies are buried in the cemetery of a town near the Colombian border.

Marquez, deputy of the Movement for Socialism, the third largest Venezuelan political organization, asserted that Judge Ursula de Quintero had conducted a physical inspection of the area. He added that her inspection confirmed charges of mass murders and burials at the Santa Barbara del Zulia Cemetery, near the northeastern border with Colombia and approximately 700 km west of Caracas.

Walter Marquez requested that the Technical Judicial Police investigate the case, which is to be added to other

charges of alleged death pits in areas along the Venezuelan and Colombian border.

The politician said that Santa Barbara cemetery workers had stated that many of the unidentified bodies had bullet wounds and displayed other evidence of violence.

The Chamber of Deputies also announced a parliamentary investigation to determine responsibility in these cases, which violate human rights and the Venezuelan Constitution.

Marquez noted that he has received reports that many of the unidentified bodies were Colombian immigrants, presumably murdered by estate owners along the border areas.

* Social Christian Party Faces Internal Split

90SM0274B Caracas EL DIARIO DE CARACAS in Spanish 4 Sep 90 p 2

[Commentary by Anibal Romero]

[Text] The Social Christian Party (COPEI) has curious inhibitions about Rafael Caldera. This is perhaps an understandable but in no way justifiable attitude, particularly when dealing with such matters of far-reaching importance as political power. Caldera is a founding leader of COPEI, a person of undeniable merit who in 1987 nevertheless refused to accept his party's naming of another man as its presidential candidate. No one demanded that Caldera go "on hold" and no COPEI member held his lack of party solidarity against him. Today, even party president Hilarion Cardozo goes crazy when newsmen show him the bulletins issued by Caldera's people systematically attacking the secretary general. COPEI members remain silent and, in the meantime, the plot is hatched.

Caldera is now being projected by another Social Christian militant, Abdon Vivas Teran, as a future "supra-party" candidate. Caldera meets with people from the MAS [Movement Toward Socialism], MIN [National Integrity Movement], and other organizations. Unburied bodies such as Miguel Bello proclaim him as the "candidate of national convergency" without COPEI and yet, no one under the green umbrella says a single word. The Disciplinary Tribunal does not act and Fernandez acts with the chivalry worthy of a polo match in the English countryside! In the meantime, Caldera's people are laying the groundwork for the split and the launching of a candidacy outside of COPEI, a COPEI they now view as a "traitor," "neo-Liberal," "weak," "contaminated," and many other things.

Fortunately, I do not share such inhibitions, nor do I owe tribute to anyone. I remember that when I supported Caldera in 1987, for I sincerely thought he was the best opponent to face Carlos Andres Perez, I published newspaper articles that won high praise from the former president's group. As was natural, I joined in the green campaign once Fernandez had won cleanly and democratically and am proud of it. Nevertheless, it is now sufficient for me not to join in the new (and eternal) Caldera aspirations to have moved from being a kind of hero to a "hired writer" for Fernandez and other similar compliments. This is what is most annoying about that Messianic group: the absurd belief in its own infallibility, its antidemocratic mentality, its hatred for those who simply never want to go along with them again.

The pathetic movement shaping up around Caldera, which I am convinced will lead to a new candidacy of the former president outside of COPEI, is made up of three ingredients: resentment, nostalgia, and Messianism. The resentment is obvious and will become even clearer as the months go by. It is paradoxical that Miguel Bello, a declared enemy of COPEI and about whom one remembers the terrible things he said for years about Caldera, should speak about the "candidacy obsession" of Fernandez, who has been a candidate only once! Caldera has run five times, tried a sixth time in 1987, and now is after a seventh, but no! It is Fernandez and not Caldera who has the "obsession"! Is Mr. Bello perhaps living in the unreal world of Pedro Infante? No. What is happening is resentment, the reaction toward a leader and a group of persons who emerge and leave behind characters from a picaresque novel (like Bello himself), a constellation of failures dreaming about the "economy of solidarity" who now congregate around Caldera in search of mere political survival, a kind of "jumble of failures and hatreds." The only survivors are a few young idealists also imbued with a blind hatred of Fernandez. The key objective of Calderism is to prevent Fernandez from winning the presidency. His motto: "Better Morales Bello than Eduardo!" Will they recruit Herrera Campins in their adventure? Will the wise old plainsman be carried along by his resentment for the anointing? Will he forget the "man with the briefcase"?

Nostalgia plays its role. It is what explains the leftist shift of Caldera. What would Caldera be doing at Salvador Allende's funeral? What does Allende represent, other than socialist demagogy, chaos, and the unpardonable irresponsibility of having led Chile to the most horrendous historic crisis? What does Allende have to teach us Venezuelans? What one has here is nostalgia for a past that will never return: the economy of artifice, populism, price controls, gifts, the interventionist, paternalist state. It is crystal clear: Backwardness is uniting around Caldera, ideological and political backwardness, "flukes," those who stay behind and cannot accept the fact. Demonstrating an enormous lack of scuples, they line up behind a man to whom they sing siren songs so he will make the supreme "sacrifice for the nation."

Messianism is the final ingredient, the "spice" of the whole business, the core of a situation I perceive with sadness and indignation. Political Messianism is rather common in Latin America and in Venezuela we have always had manifestations of the phenomenon, generally laughable. With Caldera, however, things are different because he is a respectable man who is nevertheless

making the mistake—once more—of attributing excessive importance to the individual factor in politics, ahead of all the rest. Once again we see the theme that "all Venezuela needs Caldera" (but it chose Lusinchi), once again they are talking about the "historic sacrifice," and instead of halting the process, the former president responds that he feels honored but will make a decision later, "after taking the national pulse," and so on. Let us hope that he reflects very carefully before plunging into an abyss at the bottom of which the Democratic Action (AD) is waiting with open arms. I do not believe this will happen, however, because I am convinced that resentment is more powerful than reason.

The picture shaping up for COPEI is very serious although many are still reluctant to admit it. Nevertheless, the dynamics of power are implacable and eventually even the most skeptical will be convinced. A party of the stature of COPEI cannot afford the luxury of allowing itself to be overtaken by events. It must foresee them and act accordingly. This is no child's game; the very future of the country is at stake.

* Opposition to Economic Measures Defined

90SM0274A Caracas EL NACIONAL in Spanish
14 Sep 90 p A-4

[Commentary by Eduardo Fernandez, Social Christian Party (COPEI) president]

[Text] One of the factors that has contributed the most to the deterioration of our democratic system is the irresponsible and demagogic use of the role of the opposition. The task of preserving the democratic health does not belong exclusively to the government in power, but to the opposition as well. It is intolerable for Venezuelans to observe that the governments they elect are not capable of keeping their promises and commitments. Likewise, rather than helping to improve the situation, the opposition confines itself to criticism for purely destructive purposes. Such practices: governing poorly and opposing improperly, may have been viable (although never justifiable) during our ephemeral boom days, but have become intolerable at this time of difficulty and the accelerated erosion of the credibility of parties and leaders.

That is why COPEI [Social Christian Party] is making an effort to offer a constructive line of opposition not confined to pointing out the faults and inadequacies of governmental administration, but rather, at becoming involved in political and socioeconomic processes based on a creative vision and motivated by a sincere desire to improve our collective fate. To remain locked in pure criticism, to go no further than pointing out errors and be content to lament the cost of one measure or another, is not enough. To do so is naturally part of the mission of a great opposition political party, but this cannot be its exclusive role, causing it to neglect the ethical responsibility incumbent upon any individual or organization dedicated to the existence of a system of freedoms.

In terms of the current situation in Venezuela, there can be no doubt that the social impact of the adjustment program or economic "package" of the government is a disaster and a veritable calamity for broad sectors of the population already hard hit in their prospects for improvement. We therefore repeat that it is irresponsible and superficial, in addition to being useless, to attribute all our evils to the notorious "package." The need for an adjustment was imposed on Venezuela as the result of the waste, corruption, demagogy, and incompetence with which the country was governed for years. Responsibility for a situation that led to the adoption of such a destructive adjustment program must be shared and it is useless now to try to assess blame. Things were going very badly and a change in direction was essential.

Having said as much, we also maintain that the current government has proceeded in a highly unsatisfactory and in some cases clearly erroneous manner. COPEI finds four major faults with the adjustment program (along with others): First of all, the government has shown itself to be incapable of building an adequate political foundation supported by a consensus or concerted action, and aimed at implementing a program that will inevitably generate difficulties and costs which a democracy must be able to bear without excessive trauma. Second, we maintain that adjustment measures must not be applied as if it were a matter of a magic formula that can be applied all at once and within a short time. We believe that the idea of gradualism, of working by trial and error, of not going too far and preserving a sense of balance, is key in a political and social context as eroded as that observed in Venezuela. We do not propose the gradualism of fear and indecision, but rather, of political caution and social sensitivity. Third, we repeat that an adequate, coherent social policy is an irreplaceable part of a strategy of economic change rather than something merely descriptive or complementary. Finally, we question the government's tendency to create excessive expectations in people, neglecting its own role in protecting the weakest and most vulnerable sectors of the population.

Our line of opposition fits within these parameters. It is a line foreign to demagogy and deeply committed to a better destiny for all Venezuelans.